

CHAPTER 70

DEFENSE WORKING CAPITAL FUND ACCOUNTING REPORT [ACCOUNTING REPORT (M) 1307]

SECTION I

GENERAL PREPARATION INSTRUCTIONS

A. GENERAL

1. The Defense Working Capital Fund (DWCF) Accounting Report consists of three principal statements:

- a. Statement of Financial Position which discloses the reporting entity's assets, liabilities, and net position;
- b. Statement of Cash Flows which discloses the reporting entity's gross cash receipts and disbursements with an explanation of the changes in cash for the reporting period;
- c. Statement of Operations (and Changes in Net Position) which discloses the results of the reporting entity's operations for the reporting period, including the changes in the entity's net position from the end of the prior reporting period.

2. An identification of the hierarchy of accounting standards to be followed in preparing Fund financial statements is contained in Chapter 50, "Defense Working Capital Fund General Policies and Requirements," of this Regulation and is summarized below.

- a. Individual standards agreed to and published by the Joint Financial Improvement Program (JFMIP) principals. (The JFMIP principals are the Secretary of the Treasury, the Director of the Office of Management and Budget, and the Comptroller General of the United States.)
- b. Form and content requirements included in OMB Bulletin 93-02, dated October 22, 1992 and subsequent issuances.
- c. Accounting standards contained in agency (i.e., DoD) accounting policy, procedures manuals, and/or related guidance as of March 29, 1991, so long as they are prevalent practices.
- d. Accounting principles published by authoritative standard setting bodies and other authoritative sources (1) in the absence of other guidance in the first three parts of this hierarchy, and (2) if the use of such accounting standards improves the meaningfulness of the financial statements.

3. Notes to the principal sections, which are an integral part of the principal statements, shall provide additional disclosures necessary to make the principal statements fully informative and not misleading.

4. The Defense Working Capital Fund Accounting Report contained herein was designed based on Fiscal Year 1994 form and content reporting guidance. Annually, the Office of the Under Secretary of Defense (Comptroller) publishes DoD guidance on the form and content of

financial statements. Accordingly, the Defense Working Capital Fund Accounting Report may be revised to maintain comparability.

5. The Statement of Operations consists of six parts:

- a. Part I identifies, in summary fashion, the cumulative year-to-date results of operations.
- b. Part II identifies the net changes in equity.
- c. Part III identifies the components of costs of goods sold.
- d. Part IV identifies detail expense information.
- e. Part V reconciles Net Operating Results to the operating results used for rate-setting purposes.
- f. Part VI identifies the obligations and outlays for the capital investment program.
- g. Part VII reports inventory management data for the Supply Management and Commissary Resale business areas.

B. REPORTING REQUIREMENT

1. Applicability. The provisions of this section apply to all DoD Components operating a Defense Working Capital Fund activity. A listing of DWCF financial reporting entities is attached to this section. Within the attached listing, the lowest level for which individual AR 1307 reports are required are indicated by an asterisk (*) symbol. The levels for which a consolidated AR 1307 report are required are indicated in the attached listing by a pound (#) symbol. Consolidated statements are required for each DoD Component business area.

2. Report Forms. The financial statement formats contained herein show the report formats that must be used. The reports shall be prepared or reproduced on letter size paper (8 1/2" x 11"). Reports produced by automatic data processing equipment may be substituted for the formats illustrated. The following are the reports to be submitted:

- Statement of Financial Position
- Statement of Cash Flows
- Report on Operations
 - Part I - Statement of Operations
 - Part II - Changes in Net Position
 - Part III - Cost of Goods Sold and Services Provided
 - Part IV - Expenses
 - Part V - Recoverable Operating Results
 - Part VI - Capital Investment Program
- Part VII - Inventory Management Report - Supply Business Area

3. Reporting Responsibilities. DoD Components are responsible for the information included in the AR 1307 report and for arranging for the preparation and submission of the report.

4. Frequency of Reports. Unless otherwise specified by the DoD Comptroller, the AR 1307 reports shall be prepared and submitted monthly, no later than the 18th workday of the month immediately following the end of the reporting period.

5. Distribution

a. Consolidated DoD Component and Business Area Reports. A copy of consolidated DWCF business area reports shall be submitted to:

(1) Director for Revolving Funds, Office of the Deputy Comptroller (Program/Budget), Office of the Under Secretary of Defense (Comptroller), the Pentagon, Room 3B866.

(2) Director for Financial Review and Analysis, Office of the Deputy Under Secretary of Defense (Comptroller/Financial Management), Office of the Under Secretary of Defense (Comptroller), the Pentagon, Room 1A658.

(3) Office of the Assistant Secretary of the Army (Financial Management), Office of the Assistant Secretary of the Navy (Financial Management and Comptroller), and Office of the Assistant Secretary of the Air Force (Financial Management and Comptroller), and Comptrollers of the Defense Agencies for business areas for which they are responsible.

(4) Management Command responsible for the oversight of a business area, if requested by a DoD Component.

b. Activity Level Reports. A copy of DWCF activity level reports shall be submitted to:

(1) Office of the Assistant Secretary of the Army, Navy, and Air Force (Financial Management), and Comptrollers of the Defense Agencies, for activities for which they are responsible, if requested by that DoD Component.

(2) Management Command responsible for the oversight of a business area, if requested by a DoD Component.

(3) The DWCF activity whose operations are being reported. The report provided to a DWCF activity shall disclose any adjustments made to the financial data submitted by that activity.

C. DETAIL INSTRUCTIONS

1. The control accounts specified in Addendum 1 to Chapter 7, Volume 1 of DoD 7000.14-R, DoD Financial Management Regulation, as well as accounts referred herein, are authorized for use by DWCF activities. These accounts are supported by such subsidiary accounts as may be necessary, together with the accounting policy guidance contained in DoD 7000.14-R, shall be used to accumulate the financial information being reported.

2. The instructions to the AR 1307 identify the specific data, and appropriate source of that data, for amounts to be entered into each line of each report. Newly established DoD Uniform Chart of Accounts general ledger accounts are indicated by an asterisk.

3. If existing accounting systems do not utilize the DoD Uniform Chart of Accounts, the balance for accounts within those systems which correlate to the listed DoD Uniform Chart of

Accounts will be used in accordance with crosswalks developed by the Defense Finance and Accounting Service.

4. Amounts will be reported in thousands of dollars (\$000) for all parts of the report (that is, \$1,000 = \$1; \$10,000 = \$10; \$100,000 = \$100; etc.).

5. Report lines that require the identification of the nature of specific amounts will be footnoted, and such footnotes will be provided with each report.

6. Adjustments for amounts otherwise accounted for or reported at the DoD Component level should be allocated or assigned to the applicable business areas. Similarly, adjustments for amounts otherwise submitted for or reported at the business area level should be allocated or assigned to the applicable individual activities. Such allocations shall be made, by the DFAS, in accordance with direction received from the DoD Components. However, as a general rule and where reasonable, all such adjustments should be allocated to individual activities. Adjustments made at the business area level shall be shown separately as a business area adjustment. Adjustments allocated to the individual activity level shall be entered into the activities' installation level accounting records.

7. Policies that, if implemented retroactively, could have a significant adverse impact on the accuracy and integrity of financial reports will not be retroactively implemented without a clearly offsetting benefit or unless directed by an external authority such as Congress.

DEFENSE WORKING CAPITAL FUND REPORTING ACTIVITIES

Key to Symbols

= DWCF Consolidation Point

* = DWCF Financial Reporting (AR1307) Entity

ARMY

ARMY SUPPLY MANAGEMENT

Wholesale

- * Aviation and Troop Command (ATCOM)
- * Communications and Electronics Command (CECOM)
- * Missile Command (MICOM)
- * Tank and Automotive Command (TACOM)
- * Armament and Chemical Acquisition and Logistics Activity (ACALA)
- * Army Materiel Command Mobilization (AMC-MOB)

Retail

- * Forces Command (FORSCOM)
- * Training and Doctrine Command (TRADOC)
- * Army Material Command, Installation Division (AMC-ID)
- * Defense Supply Service Washington (DSS-W)
- * U.S. Army Europe (USAREUR)
- * U.S. Army Pacific (USARPAC)
- * U.S. Army Southern Command (USARSO)
- * Eighth U.S. Army (USAEIGHT)

ARMY DEPOT MAINTENANCE

Depots

- * Tooele Army Depot, Tooele, UT
 - Satellites: Pueblo Depot Activity, Pueblo, CO
 - Umatilla Depot Activity, Hermiston, OR
- * Seneca Army Depot, Romulus, NY
- * Anniston Army Depot, Anniston, AL
- * Bluegrass Army Depot, Richmond, KY
- * Sierra Army Depot, Herlong, CA
- * Letterkenny Army Depot, Chambersburg, PA
 - Satellite: Savanna Army Depot Activity, Savanna, IL
- * Red River Army Depot, Texarkana, TX
- * Sacramento Army Depot, Sacramento, CA (Scheduled for Closing)
- * Tobyhanna Army Depot, Tobyhanna, PA
- * Corpus Christi Army Depot, Corpus Christi, TX

Ordnance

- * Pine Bluff Arsenal, Pine Bluff, AR
- * Rock Island Arsenal, Rock Island, IL
- * Watervliet Arsenal, Watervliet, NY
- * McAlester Army Ammunition Plant, McAlester, OK
- * Crane Army Ammunition Activity, Crane, IN

DEFENSE WORKING CAPITAL FUND REPORTING ACTIVITIES

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NAVY

NAVY SUPPLY MANAGEMENT

Wholesale

- * Navy Ships Parts Control Center, Mechanicsburg, PA
- * Shipboard Consumables
- * Shipboard Repairables
- * Navy Aviation Supply Office, Philadelphia, PA
- * Aviation Consumables
- * Aviation Repairables
- * Marine Corps Logistics Base, Albany, GA
- * Amphibious Consumables
- * Amphibious Repairables

Retail

- * Publications and Forms
- * Ship Stores
- * Shipyard Long Lead Material
- * Non-Navy
- * Retail
- * Fuel

Distribution Depots

- Fleet Industrial Supply Center, Pearl Harbor, HI
- Fleet Industrial Supply Depot, Yokosuka, Japan
- Fleet Industrial Supply Depot, Guam, M.I.

*NAVY LOGISTICS SUPPORT ACTIVITIES

NAVY DEPOT MAINTENANCE

Shipyards

- * Philadelphia Naval Shipyard, Philadelphia, PA (Closing Sept 1995)
- * Charleston Naval Shipyard, Charleston, SC (Closing August 1995)
- * Norfolk Naval Shipyard, Portsmouth, VA
- * Portsmouth Naval Shipyard, Kittery, ME
- * Puget Sound Naval Shipyard, Bremerton, WA
- * Long Beach Naval Shipyard, Long Beach, CA
- * Mare Island Naval Shipyard, Vallejo, CA (Closing by 1995)
- * Pearl Harbor Naval Shipyard, Pearl Harbor, HI

Aviation

- * Naval Aviation Depot, Alameda, CA (Closing September 1996)
- * Naval Aviation Depot, North Island, CA (Closing September 1995)
- * Naval Aviation Depot, Norfolk, VA (Closing September 1996)
- * Naval Aviation Depot, Cherry Point, NC
- * Naval Aviation Depot, Jacksonville, FL
- * Naval Aviation Depot, Pensacola, FL (Closing September 1995)

Ordnance

* Naval Warfare Assessment Division, Corona, CA
* Inventory Management and Systems Division, Mechanicsburg, PA
* Naval Ordnance Center, Indian Head, MD

DEFENSE WORKING CAPITAL FUND REPORTING ACTIVITIES
Key to Symbols

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NAVY DEPOT MAINTENANCE (Continued)

Atlantic Division

- * Naval Weapons Station, Yorktown, VA
- * Naval Weapons Station, Earle, Colts Neck, NJ
- * Naval Weapons Station, Charleston, SC

Pacific Division

- * Naval Weapons Station, Seal Beach, CA
- * Naval Weapons Station, Concord, CA

Marine Corps Bases

- * Marine Corps Logistics Base, Albany, GA
- * Marine Corps Logistics Base, Barstow, CA

NAVY BASE SUPPORT

- * Public Works Center, Great Lakes, IL
- * Public Works Center, Agana, Guam, Marianas Islands
- * Public Works Center, Jacksonville, FL
- * Public Works Center, Norfolk, VA
- * Public Works Center, Pearl Harbor, HI
- * Public Works Center, Pensacola, FL
- * Public Works Center, San Diego, CA
- * Public Works Center, Oakland, CA
- * Public Works Center, Washington, DC
- * Public Works Center, Yokosuka, Japan

NAVY RESEARCH & DEVELOPMENT

Air Warfare Centers (NAWC)

- * NAWC, Aircraft Division, Lakehurst, NJ
- * NAWC, Aircraft Division, Indianapolis, IN
- * NAWC, Aircraft Division, Patuxent River, MD (MRTFB)
- * NAWC, Aircraft Division, Trenton, NJ (MRTFB)
- * NAWC, Aircraft Division, Warminster, PA
- * NAWC, Weapons Division, China Lake, CA (MRTFB)
- * Satellite: Naval Ordnance Test Center, White Sands, NM
- * NAWC, Weapons Division, Point Mugu, CA (MRTFB)

Surface Warfare Centers

- * Dahlgren Division
 - NSWC, Dahlgren, VA
 - ~~NSWC Detachment, White Oak, MD~~
 - NSWC Detachment, Wallops Island, VA
 - ~~NSWC Detachment, Fort Monroe, VA~~
 - NSWC Coastal Systems Division, Panama City, FL
 - Naval Mine Warfare Engineering Activity, Yorktown, VA

- * Carderock Division
Carderock, MD
Annapolis, MD
Philadelphia, PA

DEFENSE WORKING CAPITAL FUND REPORTING ACTIVITIES

Key to Symbols

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NAVY RESEARCH & DEVELOPMENT (Continued)

- * Indian Head Division, Indian Head, MD
NSWC, Indian Head Division, Indian Head, MD
~~NSWC Detachment, White Oak, MD~~
NSWC Detachment, Yorktown, VA
NSWC Detachment, McAlester, OK
- * Crane Division
NSWC, Crane, IN
NSWC Detachment, Louisville, KY
- * Port Hueneme Division
NSWC, Port Hueneme, CA
Fleet Combat Direction Systems Support Activity, Dam Neck, VA
Integrated Combat Systems Test Facility, San Diego, CA
- # Undersea Warfare Centers
- * Newport Division
NUWC Division, Newport, RI
NUWC Detachment, Norfolk, VA
NUWC Detachment, New London, CT
NUWC Detachment, Atlantic Undersea Test and Evaluation Center,
Andros Island, Bahamas (MRTFB)
- * Keyport Division, Keyport, WA
NUWC Division, Keyport, WA
NUWC Detachment, Lualualei, HI
NUWC Detachment, San Diego, CA
NUWC Detachment, Hawthorne, NV
- # Naval Command, Control and Ocean Surveillance Systems Centers
- * NCCOSC, San Diego, CA
- * NCCOSC, St Inigoes, MD
- * NCCOSC, Charleston, SC
- * NCCOSC, Portsmouth, VA
- * NCCOSC, Washington, DC
- * Research Laboratory
Naval Research Laboratory, Washington, DC
NRL Chesapeake Bay Field Site, Chesapeake Bay, MD
NRL Flight Support Detachment, Lexington Park, MD
NRL Underwater Sound Reference Detachment, Orlando, FL
NRL Monterey Field Site, Monterey, CA
NRL Stennis Space Center Detachment, Bay St. Louis, MS

- Naval Facilities Engineering Services Center
- * Naval Facilities Engineering Services Center, Port Hueneme, CA
- * DEFENSE PRINTING SERVICE
 - Defense Printing Service, Washington, DC
 - (Consists of 265 centers worldwide ranging from one person facilities to full service printing plants)

DEFENSE WORKING CAPITAL FUND REPORTING ACTIVITIES
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NAVY INFORMATION SERVICES

* Navy Computer and Telecommunications Area Master Stations (NCTAMS)

NCTAMS, Norfolk, VA

NAVY INFORMATION SERVICES (Continued)

NCTAMS, Pearl Harbor, HI

* Navy Computer and Telecommunications Stations (NAVCOMTELSTA)

NAVCOMTELSTA, Pensacola, FL

NAVCOMTELSTA, Jacksonville, FL

NAVCOMTELSTA, Washington, DC

NAVCOMTELSTA, Newport, RI

NAVCOMTELSTA, San Francisco, CA

NAVCOMTELSTA, San Diego, CA

NAVCOMTELSTA, New Orleans, LA

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AIR FORCE

AIR FORCE SUPPLY MANAGEMENT

- * Medical-Dental Division: Air Force Medical Materiel Field
Office, Frederick, MD
- * Fuels Division: Air Force Logistics Center, San Antonio, TX
- * Academy Cadet Store: U.S. Air Force Academy, Colorado Springs, CO
- * General Support Division: HQ, Air Force Logistics Command,
Wright-Patterson AFB, Dayton, OH
- * Systems Support Division: HQ, Air Force Logistics Command,
Wright-Patterson AFB, Dayton, OH
- * Repairables Support Division: HQ, Air Force Logistics
Command, Wright-Patterson AFB, Dayton, OH
- * Cost of Operations Division: HQ, Air Force Logistics
Command, Wright-Patterson AFB, Dayton, OH

AIR FORCE DEPOT MAINTENANCE

- * Warner Robins Air Logistics Center, Robins Air Force Base,
Warner Robins, GA
Satellite: Air Force Logistics Command Support Center
Europe, Royal AF Kemble, UK
- * Ogden Air Logistics Center, Hill Air Force Base, Ogden, UT
Satellite: Air Force Logistics Command Support Center
Pacific, Kadena AB, JA
- * Oklahoma City Air Logistics Center, Tinker Air Force Base,
Oklahoma City, OK
- * Sacramento Air Logistics Center, McClellan Air Force Base,
Sacramento, CA
- * San Antonio Air Logistics Center, Kelly Air Force Base,
San Antonio, TX
- * Aerospace Guidance and Metrology Center, Newark Air Force
Base, Newark, OH
(Scheduled for Closure in FY 1996)
- * Aerospace Maintenance & Regeneration Center, Davis-Monthan
Air Force Base, Tucson, AZ

DEFENSE WORKING CAPITAL FUND REPORTING ACTIVITIES
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DEFENSE LOGISTICS AGENCY

SUPPLY MANAGEMENT

- * Defense Personnel Support Center (DPSC), Philadelphia, PA
 - Clothing and Textiles Directorate
 - Medical Directorate
 - Subsistence Directorate
- * Defense General Supply Center (DGSC), Richmond, VA
- * Defense Industrial Supply Center (DISC), Philadelphia, PA
- * Defense Construction Supply Center (DCSC), Columbus, OH
- * Defense Electronics Supply Center (DESC), Dayton, OH
- * Defense Fuels Supply Center (DFSC), Alexandria, VA

DISTRIBUTION DEPOTS

- * Defense Distribution Region East, New Cumberland, PA
- * Defense Distribution Region West, Stockton, CA

REUTILIZATION AND MARKETING SERVICE

- * Defense Reutilization and Marketing Service, Battle Creek, MI
- * Defense Reutilization and Marketing Operations-East, Columbus, OH
- * Defense Reutilization and Marketing Operations-West, Ogden, UT

*** INDUSTRIAL PLANT EQUIPMENT CENTER**

Mechanicsburg, PA

*** JOINT LOGISTICS SYSTEMS CENTER**

Joint Logistics Systems Center, Dayton, OH
Management Systems Support Office
Procurement Corporate Information Management

DEFENSE INFORMATION SERVICE AGENCY

- * Communications Information Services Activity (CISA)
- * Defense Information Service Organization (DISO)

*** DEFENSE FINANCE AND ACCOUNTING SERVICE**

DFAS-Headquarters, Arlington, VA
DFAS-Cleveland Regional Center, Cleveland, OH
DFAS-Columbus Regional Center, Columbus, OH
DFAS-Denver Regional Center, Denver, CO
DFAS-Indianapolis Regional Center, Indianapolis, IN

DFAS-Kansas City Regional Center, Kansas City, MO
DFAS-Financial Systems Offices

DEFENSE WORKING CAPITAL FUND REPORTING ACTIVITIES
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DEFENSE COMMISSARY AGENCY

- * Resale
- * Operations

UNITED STATES TRANSPORTATION COMMAND

- * Army Transportation Activities
 - Military Traffic Management Command, Eastern Area
 - Military Ocean Terminal, Bayonne, NJ
 - Military Ocean Terminal, Sunny Point, NC
 - Military Traffic Management Command, Western Area
 - Military Ocean Terminal, Bay Area, Oakland, CA
 - Military Traffic Management Command, Transportation Engineering Agency, Newport News, VA
 - Military Traffic Management Command, Transportation, Terminal Command, Europe; Rotterdam, Netherlands
- * Navy Transportation Activities
 - Military Sealift Command, Washington, DC
 - MSC Central Technical Activity, Washington, DC
 - MSC, Atlantic, Bayonne, NJ
 - MSC, Pacific, Oakland, CA
 - MSC, Europe, London, UK
 - MSC, Yokohoma, Japan
- * Air Force Transportation Activities
 - Air Mobility Command, Scott AFB, IL
- * Defense Courier Service, Ft Meade, MD

DEFENSE WORKING CAPITAL FUND ACCOUNTING REPORT
[ACCOUNTING REPORT (M) 1307]

SECTION II

FORMAT OF THE STATEMENT OF FINANCIAL POSITION

DEFENSE WORKING CAPITAL FUND
STATEMENT OF FINANCIAL POSITION
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)
MONTH ENDING _____, 19__

	(\$000)	(\$000)
ASSETS		
1. Fund Balance with Treasury (Note 1)		\$ xxx
a. Funds Collected-Operating Program	\$ xxx	
b. Funds Collected-Capital Program	\$ xxx	
c. Funds Disbursed-Operating Program	(\$ xxx)	
d. Funds Disbursed-Capital Program	(\$ xxx)	
e. Funds With Treasury-Operating Program	\$ xxx	
f. Funds With Treasury-Capital Program	\$ xxx	
2. Cash on Hand and Other Monetary Assets	\$ xxx	
3. Accounts Receivable, Net		\$ xxx
4. Advances and Prepayments		\$ xxx
5. Inventory Held for Sale, Net		\$ xxx
a. Inventory Items	\$ xxx	
b. Allowance for (Gain) or Loss on Inventories	(\$ xxx)	
6. Work In Process		\$ xxx
7. Operating Materials and Supplies, Net		\$ xxx
8. Stockpile Materials, Net		\$ xxx
9. Property and Equipment, Net		\$ xxx
a. Structures, Facilities & Leasehold Improvements, Net	\$ xxx	
b. Equipment, Net	\$ xxx	
c. ADP Software, Net	\$ xxx	
d. Assets Under Capital Lease, Net	\$ xxx	
e. Construction in Progress	\$ xxx	
f. Other Property	\$ xxx	
10. Other DWCF Assets		<u>\$ xxx</u>
11. Total DWCF Assets		<u>\$x,xxx</u>
LIABILITIES		
12. Liabilities Covered by Budgetary Resources:		
a. Accounts Payable		\$ xxx
b. Accrued Payroll and Benefits		\$ xxx
(1) Salaries and Wages	\$ xxx	
(2) Accrued Annual Leave	\$ xxx	
(3) Severance Pay and Separation Allowance	\$ xxx	
c. Progress Billings		\$ xxx
d. Debt	\$ xxx	
e. Interest Payable		\$ xxx
f. Lease Liabilities		\$ xxx

g. Other Liabilities	\$ xxx
h. Total Liabilities Covered by Budgetary Resources	<u>\$x,xxx</u>
13. Liabilities Not Covered by Budgetary Resources	<u>\$ xxx</u>
14. Total Liabilities	<u>\$x,xxx</u>
NET POSITION	
15. Balances:	
a. Unexpended Appropriations	\$ xxx
b. Invested Capital	\$ xxx
(1) Assets Capitalized	\$ xxx
(2) Liabilities Assumed	\$ xxx
(3) Fund (Cash) Transfers	\$ xxx
(4) Transfers In of Property	\$ xxx
(5) Transfers Out of Property	(\$ xxx)
c. Cumulative Results of Operations	\$ xxx
d. Other	\$ xxx
e. Future Funding Requirements	(\$ xxx)
f. Total Net Position	<u>\$ xxx</u>
16. Total Liabilities and Net Position	<u>\$x,xxx</u>

The accompanying notes are an integral part of these statements.

NOTES

Note 1. Fund Balances With Treasury

	<u>Obligated</u>	<u>Unobligated</u>		<u>Total</u>
		<u>Available</u>	<u>Restricted</u>	
1. DWCF Account (97X4930)	\$ xxx	\$ xxx	\$ xxx	\$ xxx
2. Appropriated Funds	\$ xxx	\$ xxx	\$ xxx	\$ xxx
3. Other Funds (Specify)	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>
Total <u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>

Note 2. Preparer Information. Provide the following information:

Preparer's Name:	Telephone No:	(Commercial) (Autovon)
Supervisor's Name:	Telephone No:	(Commercial) (Autovon)
Address:		

DEFENSE WORKING CAPITAL FUND ACCOUNTING REPORT
[ACCOUNTING REPORT (M) 1307]

SECTION II

**INSTRUCTIONS FOR THE PREPARATION OF THE
STATEMENT OF FINANCIAL POSITION**

A. General. The Statement of Financial Position discloses the reporting entity's assets, liabilities, and net position.

B. Heading. Complete the heading on the form to indicate; (a) the reporting DoD Component, (b) the reporting DWCF business area or activity, (c) the reporting period (month), and (d) the calendar year.

C. Line Item Instructions. Instructions for the content of each line are:

1. Line 1 - Fund Balance with Treasury. This item represents the aggregate amount of the entity's accounts with Treasury for which the entity is authorized to make expenditures and pay liabilities. (This line should not include account balances, such as those in deposit, suspense, and clearing accounts, that are not available to finance the entity's activities.) Accounts have been established to separately identify collections applicable to the operating program and capital program to comply with section 342 of the National Defense Authorization Act For Fiscal Year 1993, which requires DoD to establish a capital asset subaccount. Disclosure should be made in note 1 to distinguish between (a) the obligated balance not yet disbursed, and (b) the unobligated balance. Report the balance by the specified applicable categories:

2. Line 1.a. - Funds Collected-Operating Program. Report the balance of the following account:

1011.1 Funds Collected - Operating Program - DWCF

NOTE: All cash inflows shall be initially recorded to the above account. Periodically, but at least monthly prior to financial statement preparation, the applicable amount (see below) shall be transferred from general ledger account 1011.1, "Funds Collected - Operating Program," to general ledger account 1011.2, "Funds Collected - Capital Program."

3. Line 1.b. - Funds Collected-Capital Program. Report the balance of the following accounts:

1011.2 Funds Collected - Capital Program - DWCF

NOTE: All cash inflows shall be initially recorded to account 1011.1, "Funds Collected - Operating Program." Periodically, but at least monthly prior to financial statement preparation, the applicable amount shall be transferred from general ledger

account 1011.1, "Funds Collected - Operating Program," to general ledger account 1011.2, "Funds Collected - Capital Program." The preferred method to transfer collections to account 1011.2 is on a transaction basis. The transfer, however, may be made on a time basis (daily, weekly, etc.). The transfer must, however, be made at least monthly prior to financial statement preparation. The amount to be transferred to account 1011.2 shall be computed by first determining, at each DWCF activity, the percentage of the stabilized billing rate that is added to fund the Capital Investment Program within that activity's business area. (Stabilized billing rates should, in addition to recovering operating costs, also include a factor to fund the Capital Investment Program. That factor is composed of the expected depreciation expense and, if applicable, any additional capital surcharge. Since stabilized billing rates should not change during the fiscal year, the percentage allocation between the operating and capital program cash collection accounts should not change during the fiscal year.) The resulting ratio is then applied to the monthly change in funds collected at that activity. The percentage is applied to all collections received that fiscal year, even though, for some collections, the revenue was generated in the prior fiscal year. For example, assume that at Activity X the stabilized billing rate is \$100 of which \$5 is to fund the Capital Investment Program. The resulting percentage is therefore 5 percent (\$5 divided by \$100 = 5%). Each dollar of collections results in a \$0.95 (95¢) increase to account 1011.1, "Funds Collected - Operating Program," and a \$0.05 (5¢) increase to account 1011.2, "Funds Collected - Capital Program."

At our illustrative Activity X, the cash collections for this month were \$3.5 million. The usual entry to record a cash collection is as follows:

Dr 1011.1 Funds Collected -	
Operating Program	\$3,500,000
Cr 1311 Accounts Receivable -	
Government - Current	\$3,500,000

Computation of 5 percent of the cash collections for the month yields \$175,000. The entry to transfer \$175,000 between the cash accounts is:

Dr 1011.2 Funds Collected -	
Capital Program	\$175,000
Cr 1011.1 Funds Collected -	
Operating Program	\$175,000

4. Line 1.c. - Funds Disbursed-Operating Program. Report the balance of the following account:

1012.1 Funds Disbursed - Operating Program - DWCF

NOTE: Account 1012.1, "Funds Disbursed - Operating Program- DWCF," is used to record cash outflows that occurred due to activity attributable to the DWCF operating program (vice capital program).

5. Line 1.d. - Funds Disbursed-Capital Program. Report the balance of the following account:

1012.2 Funds Disbursed - Capital Program - DWCF

NOTE: Account 1012.2, "Funds Disbursed - Capital Program - DWCF," is used to record cash outflows that occurred due to activity attributable to the DWCF capital program (vice operating program).

The amount recorded to account 1011.2 shall be equal to capital program outlay amounts reported in Part VI, "Capital Investment Program," of the Statement of Operations.

6. Line 1.e. - Funds With Treasury-Operating Program. Report the balance of the following account:

1013.1 Funds With Treasury - Operating Program - DWCF

7. Line 1.f. - Funds With Treasury-Capital Program. Report the balance of the following account:

1013.2 Funds With Treasury - Capital Program - DWCF

Account series 1014, "Undistributed Collections," and Account series 1015, "Undistributed Disbursements," are not included in the above listing as these two accounts should have a \$0 balance for financial report preparation.

8. Line 2 - Cash on Hand and Other Monetary Assets. Consists of (a) coins, paper currency and readily negotiable instruments such as money orders, checks and bank drafts on hand or in transit for deposit, (b) amounts on demand deposit with banks or other financial institutions, and (c) cash held in imprest funds. Report the balance of the following accounts:

1110 Undeposited Collections
1120 Imprest Funds
1191 Disbursing Officers' Cash
1195 Other Monetary Assets

9. Line 3. - Accounts Receivable, Net. Accounts receivable are amounts that a federal entity claims for payment from other entities. Report the balance of the following accounts:

1311 Accounts Receivable - Government - Current
1312 Accounts Receivable - Government - Noncurrent
1313 Accounts Receivable - Public - Current
1314 Accounts Receivable - Public - Noncurrent
1315 Refunds Receivable - Government
1316 Refunds Receivable - Public
1319.1 Allowance for Loss on Accounts Receivable - Government
1319.2 Allowance for Loss on Accounts Receivable - Public
1320 Claims Receivable - Public

10. Line 4. - Advances and Prepayments. Report the balance of the following accounts:

1411 Travel Advances
1412 Advances to Contractors and Suppliers
1414 Advances - All Others - Public
1415 Advances to Government Agencies and Funds

1451 Prepaid Expenses (Non-Federal)

1452 Progress payments Made to Others (Non-Federal)

11. Line 5. - Inventories Held for Sale, Net. Inventory is tangible personal property that is (i) held for sale, (ii) in the process of production for sale, or (iii) to be consumed in the production of goods for sale or in the provision of services for a fee. This line applies only to the Supply Management business area and the Defense Commissary Agency.

12. Line 5.a. - Inventory Items. Report the balance of the following accounts:

1521 Inventory Held for Sale

1521.1 Inventory in Transit from Procurement

1521.2 Inventory in Transit from DoD Activities

1522 Inventory Held in Reserve for Future Sale

1523 Inventory Held for Repair

1523.1 Exchange (DLR) Inventory in Transit

1524 Inventory - Excess, Obsolete, and Unserviceable

13. Line 5.b. - Allowance for Unrealized (Gain)/Loss on Inventories. Report the balance of the following accounts (a net credit balance will be reported as a negative [deduct] amount; a net debit balance will be reported as a positive [add] amount):

1529.1 Allowance for Unrealized Holding Gain/Loss -
Inventory Held for Sale (Including Subaccounts)

1529.2 Allowance for Unrealized Holding Gain/Loss -
Inventory Held in Reserve for Future Sale

1529.3 Allowance for Repairs

14. Line 6. - Work In Process. Work in process is, for the DWCF, the amount of direct, indirect, and general and administrative (G&A) costs assigned or otherwise properly allocated to a final cost objective (generally, a job order) prior to completion of that final cost objective in its entirety or in discrete elements. When revenue is recognized on a percent of completion basis, the work in process associated with the revenue recognized should be relieved from work in process and recorded as cost of goods sold. This line applies only to DWCF activities, such as those within the Depot Maintenance business area, that accumulate costs to a final cost objective (generally, a job order). This line does not ordinarily apply to activities that do not accumulate costs to a final cost objective such as, for example, the Supply Management business area or the Defense Commissary Agency. The balances in the following accounts shall be reported:

1581 Work in Process - In House

1582 Work in Process - Contractor

1583 Work in Process - Other Government Activities

1584 Work in Process - Government-Furnished Material

15. Line 7. - Operating Materials and Supplies. Operating materials and supplies consist of tangible personal property to be consumed in normal operations. This line applies to all DWCF activities since all DWCF activities, including those in the Supply Management business area and the Defense Commissary Agency can have operating materials and supplies. Report the balance of the following accounts:

1511 Operating Materials and Supplies Held for Use

1512 Operating Materials and Supplies Held in Reserve for Future Use

1513 Operating Materials and Supplies - Excess, Obsolete,

and Unserviceable
1514 Operating Materials and Supplies in Transit

16. Line 8. - Stockpile Materials, Net. Stockpile materials are strategic and critical materials held due to statutory requirements for use in national defense, conservation or national emergencies. They are not held with the intent of selling in the ordinary course of business. Report the balance in the following accounts:

1573 War Reserve/Mobilization Stock
1579.2 Allowance for Holding Gain/Loss - War Reserve/Mobilization
Stock

17. Line 9. - Property and Equipment. The amount of real and personal property, i.e., land, structures and facilities, construction in progress, purchased and self-developed software, equipment and related improvements that has been capitalized, net of accumulated depreciation, if any. Also includes assets acquired by capital leases and leasehold improvements; and property owned by the reporting entity in the hands of the reporting entity or contractors.

18. Line 9.a. - Structures, Facilities & Leasehold Improvements, Net. Report the balance of the following accounts:

1730 Buildings
1739 Accumulated Depreciation on Buildings
1740 Other Structures and Facilities
1749 Accumulated Depreciation on Other Structures and Facilities
1820 Leasehold Improvements
1829 Accumulated Amortization on Leasehold Improvements

19. Line 9.b. - Equipment, Net. Report the balance of the following accounts:

1750 Equipment
1759 Accumulated Depreciation on Equipment
1761 Industrial Property in Layaway
1762 Equipment in Use
1763 Equipment with Contractors, Testing Agencies,
Defense Industrial Facilities, and Others
1764 Equipment on Loan
1765 Property Awaiting Disposal
1769 Accumulated Depreciation on Military Equipment
1770 Equipment in Transit

20. Line 9.c. - ADP Software, Net. Report the balance of the following accounts:

1830 Automated Data Processing Software
1839 Accumulated Amortization on Automated Data Processing Software

21. Line 9.d. - Assets Under Capital Lease, Net. Report the balance of the following accounts:

1810 Assets Under Capital Lease
1819 Accumulated Depreciation on Assets under Capital Lease

22. Line 9.e. - Construction in Process. Report the balance of the following accounts:

- 1721 Construction in Progress - In-House
- 1722 Construction in Progress - Contractor
- 1723 Construction in Progress - Other Government Activities
- 1724 Construction in Progress - Government-Furnished Material

23. Line 9.f. - Other Property. Report the balance of the following accounts:

- 1840 Other Natural Resources
- 1849 Allowance for Depletion
- 1850 Property Held for Sale
- 1991 Intangible Assets
- 1992 Accumulated Amortization on Intangible Assets

24. Line 10. - Other DWCF Assets. Report the balance of the following account:

- 1766 Equipment Not in Use

25. Line 11. - Total DWCF Assets. Report the net total of line 1. through line 10.

26. Line 12. - Liabilities Covered by Budgetary Resources. Liabilities incurred which are covered by available budgetary resources. Available budgetary resources include (1) new budget authority, (2) reimbursements and other income, (3) recoveries of unexpired budget authority, and (4) remaining unobligated balances of amounts available at the beginning of the year or transferred in during the year.

27. Line 12.a. - Accounts Payable. The amounts owed by a DWCF activity for goods and services received from, progress in contract performance made by, and rents due to DoD and other federal and non-federal entities. Report the balance of the following accounts:

- 2111 Accounts Payable - Government - Current
- 2112 Accounts Payable - Government - Noncurrent
- 2113 Accounts Payable - Public - Current
- 2114 Accounts Payable - Public - Noncurrent
- 2115 Claims Payable
- 2120 Disbursements in Transit
- 2190 Other Accrued Liabilities

28. Line 12.b. - Accrued Payroll and Benefits. Report the total balance by specified category of the following accounts:

(1) Salaries and Wages

2211 Accrued Payroll - Civilian

2213 Accrued Payroll - Civilian - Employer Share of Fringe Benefits

(2) Accrued Annual Leave

2215 Accrued Payroll - Funded Annual Leave - Civilian

(3) Severance Pay and Separation Allowance

2993 Accrued Civilian Severance Pay

29. Line 12.c. - Less: Progress Billings. Report the balance of the following account:

2994 Progress Billings to Others

30. Line 12.d. - Debt. This item represents the amount of borrowings from the Treasury, the Federal Financing Bank, or other federal agencies. [This line applies only to the Military Sealift Command.]

31. Line 12.e. - Interest Payable. This item represents the amount of interest expense incurred but unpaid on debt owed to nonfederal entities. Report the balance of the following account as it applies to amounts owed to nonfederal entities:

2140 Accrued Interest Payable

32. Line 12.f. - Lease Liabilities. This item represents the portion of the liability for capital leases which is covered by budgetary authority. (Capital leases and lease purchases entered into during FY 1992 and thereafter must be fully funded in the first year of the lease, see Appendix B of OMB Circular A-11). Report the balance of the following account:

2940 Capital Lease Liability

33. Line 12.g. - Other Liabilities. This item represents other liabilities that are not recognized in specific categories. Include in this line the total amount due the federal entities for other liabilities covered by budgetary authority that are not included on other lines above. This includes advances and prepayments received from other federal entities for goods to be delivered or services to be performed. Report the balance of the following accounts as they apply to transactions with other federal and non-federal entities:

2130 Contract Holdbacks

2190 Other Accrued Liabilities

2311 Unearned Revenues - Advances from Government Agencies and Funds

2312 Unearned Revenue - Advances from the Public

2410 Treasury Cash Advances to Disbursing Officers

2411 Deposit Fund Liabilities

2920 Contingent Liabilities

2992 Liability for Property Furnished by Others

34. Line 12.h. - Total Liabilities Covered by Budgetary Resources. Sum of lines 12.a. through 12.g.

35. Line 13. - Liabilities Not Covered by Budgetary Resources. Liabilities incurred which are not covered by available budgetary resources result from the receipt of goods or services or the occurrence of other eligible events for which revenues or other sources of funds necessary to pay the liabilities have not been made available through Congressional appropriations or current earnings of the reporting entity. Notwithstanding an expectation that the appropriations will be made, whether they in fact will be made is completely at the discretion of the Congress. This line should not ordinarily apply to the Defense Working Capital Fund. If, however, liabilities exist that are not covered by available budgetary resources, then report only the amount of the liability for which an available budgetary resource does not exist. If any such liabilities exist, report the amount and disclose its nature by footnote.

36. Line 14 - Total Liabilities. Report the total of lines 3.h. and 4.

37. Line 15 - Balances. The components of net position are classified as follows:

38. Line 15.a. - Unexpended Appropriations. This amount includes the portion of the entity's appropriations represented by undelivered orders and unobligated balances. Report the balance of the following accounts:

3100 Appropriated Capital 3211.1 Appropriations Available

39. Line 15.b. - Invested Capital. Represents the net investment of the federal government in the reporting entity. Includes the acquisition cost of capitalized assets, additional investment in a revolving fund to commence operations or begin a new activity; fund (cash) transfers to other DWCF entities; less the reduction in investment due to depreciation and amortization. Report the balance by the specified category of the following accounts:

(1) Assets Capitalized:

3211.2 Assets Capitalized

(2) Liabilities Assumed:

3211.3 Liabilities Assumed

(3) Fund (Cash) Transfers:

3211.4 Net Treasury Balance - DWCF

(4) Transfers In Of Property:

3220 Transfers In from Others Without Reimbursement

(5) Transfers Out Of Property:

3231 Transfers Out to Government Agencies Without Reimbursement

3232 Transfers Out to All Others Without Reimbursement

40. Line 15.c. - Cumulative Results of Operations. The net difference between (1) expenses and losses and (2) financing sources, including appropriated capital used, revenues, and gains, since the inception of the activity. Report the balance of the following account.

3311 Cumulative Results of Operations - DWCF

41. Line 15.d. - Other. Report the balance of any other equity account in use by the reporting entity.

42. Line 15.e. - Future Funding Requirements. The amount reported on this line should be equal to the amount of liabilities incurred which are not covered by available budgetary resources (line 3.c.). Liabilities not covered by budgetary resources result from the receipt of goods or services or the occurrence of other eligible events for which revenues or other sources of funds necessary to pay the liabilities have not been made available through Congressional appropriations or current earnings of the reporting entity. If an amount is reported, disclose its nature by footnote.

43. Line 15.f. - Total Net Position. Report the sum of line 15.a. through line 15.e.

44. Line 16. - Total Liabilities and Net Position. Report the sum of line 14 and line 15.f.

45. INSTRUCTIONS FOR PREPARATION OF REQUIRED NOTES. Instructions for required notes are presented below. Additional notes may be included as deemed beneficial by the reporting entity. In any instance where the instructions for line items shown on the Statement of Financial Position would preclude significant financial data from being reported, include the amounts in the most closely related line item and disclose the information by a footnote. The following information must be disclosed:

Note 1 - Fund Balances With Treasury:

The sum of the balances should agree with the amount reported on line 1. of the Statement of Financial Position. For Defense Working Capital Fund activities, the amounts reported will reflect the net amount of (1) collections in excess of disbursements for the fiscal year or (2) disbursements in excess of collections for the fiscal year added to [if collections exceed disbursements] or subtracted from [if disbursements exceed collections] (3) Funds With Treasury carried over from the previous fiscal year. If the reporting entity does not maintain an account representing "Funds With Treasury," then that entity need not report an amount for that line. The DWCF entity that does, however, maintain an account representing "Funds With Treasury," must report that balance. If one DWCF entity maintains the "Funds With Treasury" for two or more other DWCF activities, that balance may be distributed for reporting purposes to those individual DWCF activities.

The amount to be reported consists of all (1) obligated but not yet disbursed and (2) unobligated undisbursed account balances with the U.S. Treasury, as reflected in the entity's records and summarized by fund type. Unobligated amounts shall be further classified as amounts available and restricted. Restricted unobligated fund balances include appropriated fund amounts related to expired authority, and holdings which have not been transferred into the general fund as of the report date, which are not available for agency use. Line (3), Other Funds, should include trust funds and balances in deposit, suspense, clearing and related non-spending accounts, such as for collections pending litigation, awaiting determination of the proper accounting disposition, or being held by the entity in the capacity of a banker or agent for others.

Note 2. Preparer Information.

The preparer's and supervisor's name and business telephone numbers shall be provided along with the official mailing address of their location. The purpose of the requested information is to provide a point of contact in case of questions. If a point of contact other than the preparer, or preparer's supervisor, is desired, also include the name, title, business telephone, and (if different) the location of the desired point of contact.

DEFENSE WORKING CAPITAL FUND ACCOUNTING REPORT
[ACCOUNTING REPORT (M) 1307]

SECTION III

FORMAT OF THE STATEMENT OF CASH FLOWS

DEFENSE WORKING CAPITAL FUND
STATEMENT OF CASH FLOWS
(INDIRECT METHOD)
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)
MONTH ENDING _____,19__

		(\$000)
CASH FLOWS FROM OPERATIONS:		
1. Excess (Shortage) of Revenues and Financing Sources Over Total Expenses		\$ <u>xxx</u>
ADJUSTMENTS AFFECTING CASH FLOW:		
2. Appropriated Capital Used		\$(xxx)
3. Decrease (Increase) in Accounts Receivable	\$ xxx	
4. Decrease (Increase) in Other Assets	\$ xxx	
5. Increase (Decrease) in Accounts Payable	\$ xxx	
6. Increase (Decrease) in Other Liabilities	\$ xxx	
7. Depreciation and Amortization	\$ xxx	
8. Other Unfunded Expenses	\$ xxx	
9. Other Adjustments	\$ <u>xxx</u>	
10. Total Adjustments	\$ <u>xxx</u>	
11. Net Cash Provided (Used) by Operations	\$ <u>xxx</u>	
CASH FLOWS FROM INVESTMENTS:		
12. Sale of Property, Plant and Equipment	\$ xxx	
13. Purchase of Property, Plant and Equipment	\$(xxx)	
14. Other Investment Cash Provided (Used)	\$ <u>xxx</u>	
15. Net Cash Provided (Used) by Investments	\$ <u>xxx</u>	
CASH FLOWS FROM APPROPRIATIONS:		
16. Appropriations (Current Warrants)	\$ xxx	
17. Add:		
a. Restorations	\$ xxx	
b. Transfers of Cash from Others	\$ xxx	
18. Deduct:		
a. Withdrawals	\$(xxx)	
b. Transfers of Cash to Others	\$(<u>xxx</u>)	
19. Net Appropriations	\$ <u>xxx</u>	
20. Repayments on Loans from the Treasury and the Federal Financing Bank	\$ xxx	

21. Net Cash Provided (Used) by Appropriations	\$ <u>xxx</u>
22. Net Cash Provided (Used) by Operations, Investments and Appropriations	\$ xxx
23. Fund Balance, Beginning	\$ <u>xxx</u>
24. Fund Balance, Ending	\$ <u>xxx</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

25. Total Interest Paid	\$ xxx
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SUPPLEMENTAL SCHEDULE OF APPROPRIATIONS AND INVESTMENTS:

26. Property and Equipment Acquired Under Capital Lease Obligations	\$ xxx
27. Property Acquired Under Long-term Financing Arrangements	\$ xxx
28. Other Exchanges of Noncash Assets or Liabilities	\$ xxx

SUPPLEMENTAL DISCLOSURE OF CASH INFORMATION:

29. Funds Collected	
a. Funds Collected - Operating Program - DWCF	\$ xxx
b. Funds Collected - Capital Program - DWCF	\$ xxx
c. Funds Collected - Undistributed - DWCF	\$ xxx
30. Funds Disbursed	
a. Funds Disbursed - Operating Program - DWCF	\$ xxx
b. Funds Disbursed - Capital Program - DWCF	\$ xxx
c. Funds Disbursed - Undistributed - DWCF	\$ xxx
31. Cash on Hand and Other Monetary Assets	\$ xxx
32. Funds with Treasury	
a. Funds with Treasury - Operating Program - DWCF	\$ xxx
b. Funds with Treasury - Capital Program - DWCF	\$ xxx
33. Undistributed Collections (As appropriate)	
a. Undistributed Collections - DWCF Component Level	\$ xxx
b. Undistributed Collections - DWCF Business Area Level	\$ xxx
c. Undistributed Collections - DWCF Installation Level	\$ xxx
34. Undistributed Disbursements (As appropriate)	
a. Undistributed Disbursements - DWCF Component Level	\$ xxx
b. Undistributed Disbursements - DWCF Business Area Level	\$ xxx
c. Undistributed Disbursements - DWCF Installation Level	\$ xxx

DEFENSE WORKING CAPITAL FUND ACCOUNTING REPORT [ACCOUNTING
REPORT (M) 1307]

SECTION III

INSTRUCTIONS FOR THE PREPARATION OF THE
STATEMENT OF CASH FLOWS
(INDIRECT METHOD)

- A. General. The statement of cash flows discloses the DWCF cash receipts and disbursements with an explanation of the changes in cash or cash equivalents for the reporting period.
- B. Heading. Complete the heading of the form to show (a) the reporting DoD Component, (b) the reporting business area or activity, and (c) the reporting period (month and calendar year).
- C. Line Item Instructions. Instructions for the content of each line item are as follows:
CASH FLOWS FROM OPERATIONS:

1. Line 1 - Excess (Shortage) of Revenues and Financing Sources Over Total Expenses. The amount reported on line 13. of the monthly Statement of Operations (and changes in net position). As of September 30 each year, this line should agree with Line 1 on the annual Chief Financial Officers, Statement of Cash Flows (Indirect Method).

ADJUSTMENTS AFFECTING CASH FLOW:

2. Line 2 - Appropriated Capital Used. The amount reported on line 1 of the statement of Operations (and changes in net position) should be reported as a negative adjustment to the net cash flow from operations.

5700 - Appropriated Capital Used

3. Line 3 - Decrease (Increase) in Accounts Receivable. A decrease in accounts receivable adds to, and an increase in accounts receivable reduces, the DWCF cash balance. (Do not include decreases due to bad debt write-offs.)

1300 - Receivables, Net

4. Line 4 - Decrease (Increase) in Other Assets. The change in other assets categories which affect cash flow. A decrease adds to, and an increase reduces, the DWCF cash balance.

1410 - Advances to Others

1450 - Prepayments

1990 - Other Assets, as applicable.

5. Line 5 - Increase (Decrease) in Accounts Payable. An increase in accounts payable adds to, and a decrease in accounts payable reduces the DWCF cash balance.

2100 - Accrued Liabilities - Other

6. Line 6 - Increase (Decrease) in Other Liabilities. The change in other liabilities which affect cash flow. An increase adds to, and a decrease reduces the DWCF cash balance.

2200 - Accrued Liabilities - Payroll and Benefits
2300 - Unearned Revenue - Advances
2400 - Liabilities for Deposit Funds and Suspense Accounts
2900 - Other Liabilities

7. Line 7 - Depreciation and Amortization. The depreciation and amortization for the period which are not paid in cash, and therefore require a positive adjustment to the net cash flow from operations.

6125 - Depreciation of Equipment
6126 - Depreciation of Real Property
6128 - Amortization of Leasehold Improvements and Other Tangible Assets

8. Line 8 - Other Unfunded Expenses. Other unfunded expenses which are not paid in cash and therefore require a positive adjustment to the net cash flow from operations. Identify the nature of each unfunded amount.

9. Line 9 - Other Adjustments. The net of the period's cash transfer transactions not shown on the Statement of Operation. These are Treasury Withdrawals, Transfers-In and Transfers-Out. This line should not include transfers in or out of non-cash assets such as property, operating supplies and materials, or inventory. The DWCF cash balance is not affected by transfers in or transfers out of non-cash assets to other federal entities.

10. Line 10 - Total Adjustments. The sum of lines 2. through 9.

11. Line 11 - Net Cash Provided (Used) by Operations. The total of lines 1. and 10.

CASH FLOWS FROM INVESTMENTS: Acquiring and disposing of property, plant and equipment and other assets used in the production of goods and services. Most sales within the DWCF are recorded as revenue and thereby included in line 1 of this statement. However, if an incoming cash flow is not as a result of revenue, that cash flow should be identified within this section as either a result of a sale of property, plant and equipment or other cause.

12. Line 12 - Sale of Property, Plant and Equipment. The cash proceeds received from sales of surplus real and personal property (e.g., buildings, docks and piers, and equipment) adds to the DWCF cash balance.

13. Line 13 - Purchase of Property, Plant and Equipment. The amounts disbursed for acquisitions of plant, property, and equipment reduces the DWCF cash balance. Include amounts disbursed for minor construction projects.

1012.2 - Funds Disbursed - Capital Program - DWCF

14. Line 14 - Other Investment Cash Provided (Used). The net amounts of other collections or disbursements associated with the purchase and sale of other investments. Identify the nature of each investment purchased and sold. (Not Applicable to DWCF)

15. Line 15 - Net Cash Provided (Used) by Investments. The sum of lines 12. through 14.

CASH FLOWS FROM APPROPRIATIONS: Resources obtained in the form of appropriations from the Congress, or by transferring from or to other reporting entities. Appropriations may not, in all cases, be distributed to the individual activity level. If appropriations are not distributed, then they may be reported by the DWCF level that is holding

those balances or allocated by that DWCF level, for reporting purposes, to the appropriate activity(ies).

16. Line 16 - Appropriations (Current Warrants). The amount of appropriations received (consistent with above), net of rescissions.

17a. Line 17a - Restorations. DWCF cash balances withdrawn by the Treasury in prior years which were restored. As a rule, this does not apply to the DWCF.

17b. Line 17b - Transfers of Cash from Others. The amounts of cash transferred from all Federal sources, except the Treasury. Report cash transfers in from other DWCF activities as a plus. The amounts to be reported are those solely to transfer cash balances. A transfer of cash as a result of work performed (reimbursable sales) shall not be reported on this line. The following equity account shall be used:

3211.4 Net Treasury Balance-DWCF

18a. Line 18a - Withdrawals. The amounts of unobligated appropriations withdrawn by the Treasury. As a rule, this does not apply to the DWCF.

18b. Line 18b - Transfers of Cash to Others. The amounts of cash transferred to Federal agencies, except the Treasury. Report cash transfers out to other DWCF activities as a negative. The amounts to be reported are those solely to transfer cash balances. A transfer of cash as a result of work performed (reimbursable sales) shall not be reported on this line. The following equity account shall be used:

3211.4 Net Treasury Balance-DWCF

19. Line 19 - Net Appropriations. Net of lines 16, 17, and 18.

20. Line 20 - Repayments on Loans from the Treasury and the Federal Financing Bank. The amounts disbursed to liquidate loans obtained from the Treasury or Federal Financing Bank. (Applicable only to the Military Sealift Command.)

21. Line 21 - Net Cash Provided (Used) by Appropriations. Net of lines 16. through 20.

22. Line 22 - Net Cash Provided (Used) by Operations, Investments, and Appropriations. The amounts reported on lines 11., 15. and 21.

23. Line 23 - Fund Balances, Beginning. The sum of account balances at the beginning of the fiscal year. undistributed amounts will be reported at the lowest organizational level to which they can be identified.

24. Line 24 - Fund Balances, Ending. The net of lines 22. and 23. The amounts should agree with the amounts reported for line 1, "Fund Balance with Treasury," and line 2, "Cash on Hand and Other Monetary Assets," on the current month's DWCF statement of financial position.

SUPPLEMENTAL INFORMATION:

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: When the indirect method is used to prepare the cash flow statement, the amount of interest paid (net of amounts capitalized) during the period shall be provided in this section of the statement.

25. Line 25 - Total Interest Paid. The amount of interest paid during the period net of amounts capitalized.

SUPPLEMENTAL SCHEDULE OF APPROPRIATIONS AND INVESTMENTS: Information about all appropriations and investments of a reporting entity during a period that affect recognized liabilities but that do not result in cash receipts or payments in the period shall be reported in this section.

26. Line 26 - Property and Equipment Acquired under Capital Lease Obligations. Property and equipment acquired under such leases that did not result in cash payments.

27. Line 27 - Property Acquired Under Long-term Financing Arrangements. Property acquired under these arrangements that did not result in cash payments.

28. Line 28 - Other Exchanges of Noncash Assets or Liabilities. Any other exchange of noncash assets or liabilities not specifically identified above.

SUPPLEMENTAL DISCLOSURE OF CASH INFORMATION: Report the preclosing balances in the following General Ledger Account Codes. Additionally, of the amounts reported as undistributed collections and undistributed disbursements, disclose the amount of each that was closed, for financial reporting purposes, to Accounts Receivable and Accounts Payable. Volume 1, Chapter 7, of this Regulation provides a definition of each account. The amounts should agree with the total amount reported on Line 31. Undistributed amounts will be reported at the lowest organizational level to which they can be identified.

29. Line 29 - Funds Collected

29a. GLAC 1011.1 - Funds Collected - Operating Program - DWCF

29b. GLAC 1011.2 - Funds Collected - Capital Program - DWCF

29c. GLAC 1011.3 - Funds Collected - Undistributed - DWCF

30. Line 30 - Funds Disbursed

- 30a. GLAC 1012.1 - Funds Disbursed - Operating Program - DWCF
- 30b. GLAC 1012.2 - Funds Disbursed - Capital Program - DWCF
- 30c. GLAC 1012.3 - Funds Disbursed - Undistributed - DWCF

31. Line 31 - Cash on Hand and Other Monetary Assets

- 31.a GLAC 1110 - Undeposited Collections
- 31.b GLAC 1191 - Disbursing Officers' Cash
- 31cGLAC 1195 - Other Monetary Assets

32. Line 32 - Funds with Treasury

- 32a. GLAC 1013.1 - Funds with Treasury - Operating Program - DWCF
- 32b. GLAC 1013.2 - Funds with Treasury - Capital Program - DWCF

33. Line 33 - Undistributed Collections (As appropriate)

- 33a. GLAC 1014.1 - Undistributed Collections - DWCF Component Level
- 33b. GLAC 1014.2 - Undistributed Collections - DWCF Business Area Level
- 33c. GLAC 1014.3 - Undistributed Collections - DWCF Installation Level

34. Line 34 - Undistributed Disbursements (As appropriate)

- 34a. GLAC 1015.1 - Undistributed Disbursements - DWCF Component Level
- 34b. GLAC 1015.2 - Undistributed Disbursements - DWCF Business Area Level
- 34c. GLAC 1015.3 - Undistributed Disbursements - DWCF Installation Level

DEFENSE WORKING CAPITAL FUND ACCOUNTING REPORT
[ACCOUNTING REPORT (M) 1307]

SECTION IV

FORMAT OF THE STATEMENT OF OPERATIONS

**DEFENSE WORKING CAPITAL FUND
STATEMENT OF OPERATIONS AND
CHANGES IN NET POSITION
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)
MONTH ENDING _____, 19__**

PART I - STATEMENT OF OPERATIONS

	<u>(\$000)</u>	<u>(\$000)</u>
REVENUES AND FINANCING SOURCES		
1. Appropriated Capital Used		\$ _____
2. Revenues from Sales of Goods and Services		\$ _____
a. Gross Revenue from Sales	\$ _____	
b. Less: Credits Allowed on Sales	(\$ _____)	
3. Other Revenue & Financing Sources		\$ _____
4. Total Revenues and Financing Sources:		\$ _____
EXPENSES		
5. Program or Operating Expenses (Lines A - G, Part IV)		
6. Cost of Goods Sold and Services Provided (From Part III) \$ _____		
7. Depreciation and Amortization (Line H, Part IV)		\$ _____
8. Bad Debts and Write-offs (Line I, Part IV)		\$ _____
9. Other Expenses (Line J, Part IV)		\$ _____
10. Total Expenses (Lines 5 through 9)		\$ _____
11. Revenue Less Cost Incurred Before Extraordinary Items (Line 4 - Line 10)		\$ _____
12. Plus (Minus) Extraordinary Items		\$ _____
13. NET OPERATING RESULTS		\$ _____
14. Plus (Minus) Nonrecoverable Amounts (From Part V)		\$ _____
15. Recoverable Operating Results		\$ _____

Capital Investment Program

16. OBLIGATIONS FOR CAPITAL ASSETS (From Part VI)	\$ _____
17. OUTLAYS FOR CAPITAL ASSETS (From Part VI)	\$ _____

Footnote: Mobilization Requirement Cost \$ _____

**DEFENSE WORKING CAPITAL FUND
STATEMENT OF OPERATIONS AND
CHANGES IN NET POSITION
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)
MONTH ENDING _____, 19__**

PART II - CHANGES IN NET POSITION

	<u>(\$000)</u>	<u>(\$000)</u>
1. Changes in Equity		
A. Appropriations		
(1) Appropriations Available - Beginning of Year	\$ _____	
(2) Plus or Less: Changes in Appropriation Balance	\$ _____	
(3) Plus or Less: Cash Transfers	\$ _____	
(4) Equals: Appropriations Available - End of Period		\$ _____
B. Accumulated Operating Results (AOR)		
(1) AOR - Beginning of Year (Unadjusted)	\$ _____	
(2) Plus (Minus): Prior Period Adjustments To AOR	\$ _____	
(3) Equals: AOR - Beginning of Year (Adjusted)	\$ _____	
(4) Plus: Net Operating Results - End of Period	\$ _____	
(5) Equals: Operating Results - End of Period		\$ _____
C. Net Equity Position - End of Period		\$ _____
D. Capital Investments		
(1) Capital Investments - Beginning of Fiscal Year	\$ _____	
(2) Plus: Transfers-In of Property	\$ _____	
(3) Less: Transfers-Out of Property	\$ _____	
(4) Less: Invested Capital Used	\$ _____	
(5) Plus (Less): Changes in Liabilities Assumed	\$ _____	
(6) Equals: Capital Investments - End of Period		\$ _____
2. Total Equity - End of Period		\$ _____

**DEFENSE WORKING CAPITAL FUND
STATEMENT OF OPERATIONS
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)
MONTH ENDING _____, 19__**

PART III - COST OF GOODS SOLD AND SERVICES PROVIDED

	(\$000)	(\$000)
1. Cost of Goods and Services Sold: <u>1/</u>		
a. Beginning Work-in-Process	\$ _____	
b. Plus: Operating Expenses (Lines A-G, Part IV)	\$ _____	
c. Minus: Ending Work-in-Process	\$ _____	
d. Minus: Work for Activity Retention	\$ _____	
e. Equals: Cost of Goods and Services Sold		\$ _____
2. Cost of Goods Sold from Inventory: <u>2/</u>		
a. Operating Expenses (Lines A-G, Part IV)		\$ _____
b. Beginning Inventory - L.A.C.	\$ _____	
c. Less: Beginning Allowance for Unrealized Holding ains (Losses)	\$ _____	
d. Plus: Purchases at Cost	\$ _____	
e. Plus: Customer Returns - Credit Given	\$ _____	
f. Plus: DLR Exchange Credits	\$ _____	
g. Less: Inventory Losses Realized	\$ _____	
h. Less: Ending Inventory - L.A.C.	\$ _____	
i. Plus: Ending Allowance for Unrealized Holding Gains (Losses)	\$ _____	
j. Equals: Cost of Goods Sold from Inventory		\$ _____

- 1/ Section 1 (lines 1.a. through 1.e.) is to be completed by all DWCF business areas other than the Supply Management and Commissary Resale Business Areas.
- 2/ Section 2 (lines 2.a. through 2.j.) is to be completed only by the Supply Management and Commissary Resale Business Areas.

**DEFENSE WORKING CAPITAL FUND
STATEMENT OF OPERATIONS
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)
MONTH ENDING _____, 19__**

PART IV - EXPENSES

	(\$000)	(\$000)
A. Personal Services and Benefits		\$ _____
6111 Personnel Compensation - Civilian	\$ _____	
6130 Annual Leave	\$ _____	
6115 Benefits for Former Personnel	\$ _____	
B. Travel and Transportation		\$ _____
6116 Travel and Transportation of Persons	\$ _____	
6117 Transportation of Things	\$ _____	
C. Rents, Communications & Utilities		\$ _____
6118 Rent, Communication and Utilities	\$ _____	
6119 Printing and Reproduction	\$ _____	
D. Contractual Services and Supplies		\$ _____
6120.1 Military Personnel Services	\$ _____	
6120.2 Purchased Services-Other	\$ _____	
E. Supplies, Materials and Other Non-Capitalized Assets		\$ _____
6121 Supplies and Materials	\$ _____	
6122 Equipment (Not Capitalized)	\$ _____	
F. Grants and Fixed Charges		\$ _____
6123 Grants, Subsidies and Contributions	\$ _____	
6124 Insurance Claims and Indemnifications	\$ _____	
6330 Other Interest Expenses	\$ _____	
G. Other Expenses		
6900 Other Expenses		\$ _____
H. Depreciation-Total		\$ _____
6125 Depreciation of Equipment	\$ _____	
6126 Depreciation of Real Property	\$ _____	
6128 Amortization of Leasehold Improvements and Other Intangible Assets	\$ _____	
I. Bad Debts and Other Write-offs		
6129 Bad Debts		\$ _____
J. Other Losses		\$ _____
7210 Losses on Disposition of Assets	\$ _____	
7291.1 Shrinkage/Deterioration Losses	\$ _____	
7291.2 Excess/Obsolescence/Spoilage Loss	\$ _____	
7291.3 Other Inventory Losses	\$ _____	

7293 Other Miscellaneous Losses	\$_____	
K. Non-DWCF Financed (i.e., Unfunded) Expenses		\$_____
5700 Appropriated Capital Used	\$_____	
5790 Invested Capital Used	\$_____	

**DEFENSE WORKING CAPITAL FUND
STATEMENT OF OPERATIONS
(DoD COMPONENT/BUSINESS AREA)
MONTH ENDING _____, 19__**

PART V - RECOVERABLE OPERATING RESULTS

	(\$000)	(\$000)
1. NET OPERATING RESULTS:		\$ _____
2. NONRECOVERABLE/DEFERRED AMOUNTS:		
a. Losses on Disposal of Excess Inventory (-)	\$ _____	
b. Disposal of Equipment/Capital Assets (-)	\$ _____	
c. Non-Reimbursable Base Closure (BRAC) Costs (-)	\$ _____	
d. Difference Between Military Personnel Reimbursement/Applied Costs (+/-)	\$ _____	
e. Capital Asset Surcharge (-)	\$ _____	
f. Other Applicable Gains and Losses (+/-)	\$ _____	
g. Total - Nonrecoverable/Deferred Costs		\$ _____
3. Net Operating Results that are Comparable to Budgeted Amounts		\$ _____
4. Amount Budgeted for the Return/Recovery of Prior Year(s) Gain/Loss		\$ _____
5. NET RECOVERABLE OPERATING RESULTS FROM CURRENT YEAR OPERATIONS		\$ _____

NOTE: As a matter of policy, any amounts that a DoD Component requests be excluded from its DWCF rates--whether identified in DoD Comptroller guidance as permissible, or requested by the DoD Component--must be adequately documented and quantified. Further, all such amounts must be approved by the Office of the DoD Comptroller (Program/Budget). Amounts not explicitly approved by the Office of the DoD Comptroller for exclusion from customer rates shall be excluded from this report.

Data for the completion of all "Nonrecoverable/Deferred Amounts" may not be available readily to a reporting entity from accounting records. Nevertheless, each amount reported shall be supported either by accounting or other adequate documentation provided by the activity, management command or departmental level command of the reporting entity. If applicable amounts are captured at the business area level, they shall be allocated or assigned to activities in accordance with guidance provided by the DoD Component. Care should be taken to ensure that amounts so allocated or assigned are equal to the total. As the amounts reported may be used in the development of subsequent year stabilized billing rates, it is important that the categories and amounts reported are consistent with guidance provided or approved by the Director for Revolving Funds, Office of the DoD Comptroller (Program/Budget).

**DEFENSE WORKING CAPITAL FUND
STATEMENT OF OPERATIONS
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)
MONTH ENDING _____, 19__**

PART VI - CAPITAL INVESTMENT PROGRAM

Program Year	<u>Approved Program</u>			<u>Obligations</u>			<u>Outlays</u>		
	<u>Original Program</u>	<u>Program Adjustments</u>	<u>Current Program</u>	<u>This Fiscal Years</u>	<u>Prior Fiscal Year(s)</u>	<u>Total</u>	<u>This Fiscal Year</u>	<u>Prior Fiscal Year(s)</u>	<u>Total</u>
FY 19PY-1	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____
FY 19PY	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____
FY 19CY	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____	\$_____
Total	\$=====	\$=====	\$=====	\$=====	\$=====	\$=====	\$=====	\$=====	\$=====

**DEFENSE WORKING CAPITAL FUND
STATEMENT OF OPERATIONS
(DoD COMPONENT/BUSINESS AREA/DIVISION)
FISCAL YEAR THROUGH
MONTH OF _____, 19__**

**PART VII - INVENTORY MANAGEMENT REPORT - SUPPLY MANAGEMENT
BUSINESS AREA**

	Current Year To Date (1)	Planned To Date (2)	Variance \$ % (3)
A. Customer Orders Accepted - Cumulative			
B. Gross Reimbursable Sales of Property - Cumulative			
C. Unfilled Customer Orders			
D. Customer Returns - Credits Granted - Cumulative			
E. Net Reimbursable Sales of Property - Cumulative			
F. Purchases at Cost - Cumulative			
G. Obligations - Cumulative			
H. Obligations Operating - Cumulative			
I. Obligations Augmentation - Cumulative			
J. Obligations Mobilization - Cumulative			
K. Outstanding Commitments			
L. Inventories - Stock On hand			
M. Other Inventories			
N. Inventories in Transit			
P. Total Inventories			
Q. Customer Returns Without Credit - Cumulative			
R. Transfers to Reutilization and Marketing - Cumulative			
S. Material Returns to Suppliers - Cumulative			
T. Undelivered Orders			
U. Fund Balance with Treasury			
V. Funds Collected - Cumulative			
W. Funds Disbursed - Cumulative			
X. Receivables - Government			
Y. Receivables - Public			
Z. Payables			

NOTE: The above line items are the same as those previously described in DoD 7420.13-R, "Stock Fund Operations," for the Accounting Report (AR) 1302. The AR 1302 as currently prepared shall continue to be prepared until further notice.

DEFENSE WORKING CAPITAL FUND ACCOUNTING REPORT [ACCOUNTING
REPORT (M) 1307]

SECTION IV

INSTRUCTIONS FOR THE PREPARATION OF THE STATEMENT OF OPERATIONS

A. General. Part I provides data on current operating results by Defense Working Capital Fund business area.

B. Heading. Complete the heading of the form to show (a) the reporting DoD Component, (b) the reporting business area and (c) the reporting period (month and calendar year).

C. Line Item Instructions. Instructions for the content of each line item are as follows:

1. Line 1 - Appropriated Capital Used. Appropriations, primarily for War Reserve Material and Commissary Operations, may be provided directly to the DWCF. General ledger account (GLA) 5700, "Appropriated Capital Used," is used to record accrued expenses (versus outlays) of appropriated funds provided directly to the Fund. The purpose of the account is to match current period expenses against the use of appropriated funds used to finance those expenses. The amounts to be recorded in Account 5700 shall be equal to the amount of program expenses recorded in the 6100 series of accounts but shall not include any expenses applicable to revenue accounts other than GLA 5700--in other words, expenses incurred against an appropriation made directly available to the DWCF should be recorded separately from expenses incurred against ordinary DWCF reimbursable financing. Addendum 1 to Chapter 52 of this Regulation contains additional information on GLA 5700. Report the balance in the following account:

5700 Appropriated Capital Used

2. Line 2. - Revenues from Sale of Goods and Services. The amount reported shall ordinarily agree with the amount reported on line 3.A., "Reimbursements Earned," of the DD Form 1176, "Report on Budget Execution." If it does not agree with line 3.A. of the DD Form 1176, include a note explaining the difference (for example, line 3.A. of the DD Form 1176 may include some of the amounts reported in line 6 below.) Report the balance in the following accounts:

5100 Revenue from Goods Sold
5200 Revenue from Services Provided

NOTE: The Supply Management Business Area shall report revenue net of amounts allowed for returns of material for credit. The dollar amount of materiel returns with credit shall be reported on line 2.b.

3. Line 2.a. - Gross Revenue from Sales. This line applies to the Supply Management business area only. Reporting activities within the Supply Management business area shall report gross revenue on this line. Gross revenue is revenue before deduction of amounts allowed for returns of material for credit and credits allowed on Depot Level Repairable Exchanges (DLRs). The dollar amount of materiel returns with credit shall be reported on line 2.b.(2). Report the following accounts on this line:

5100 Revenue from Goods Sold
5200 Revenue from Services Provided

* 4. Line 2.b. - Credits Allowed on Sales. This line applies to the Supply Management business area only. Reporting activities within the Supply Management business area shall report the dollar amount of credits allowed on amounts due it (accounts receivable) as a result of sales or DLR exchanges. Report the following accounts on this line:

1529.1E Materiel Returns - Credit Given
1529.3A Estimated Repair Costs
1529.3B Estimated Exchange Costs

5. Line 3 - Other Revenue & Financing Sources. Report revenues and financing sources not reported on lines 1 or 2. Include cash donations and an amount equal to any depreciation recorded against donated assets. Invested capital used is the depreciation expense of capital assets provided to Fund activities for its use but which were paid for by funds other than the Defense Working Capital Fund. Identify the nature of each miscellaneous gain. Report the total recorded in the following accounts:

5600 Donated Revenue
5790 Invested Capital Used
5910 Miscellaneous Reimbursements
7110 Gains on Disposition of Assets
7193 Other Miscellaneous Gains

(a) General ledger account (GLA) 5790, "Invested Capital Used," is used to record, as a financing source, the value of assets (ordinarily buildings and other assets financed by a Military Construction appropriation) used by, and in custody of, a DWCF activity but which were not acquired, nor will be replaced, through use of Defense Working Capital Fund resources.

(b) The amounts to be recorded in this account shall be equal to the amount of depreciation expense recorded in general ledger account 6125, "Depreciation of Equipment," general ledger account 6126 "Depreciation of Real Property," and general ledger account 6127, "Depletion of Natural Resources," but only if the depreciated asset(s) were not acquired nor will be replaced through use of Defense Working Capital Fund resources. No other amounts shall be recorded to general ledger account 5790.

(c) Addendum 1 to Chapter 58, "Capital Assets," of this Regulation contains additional information on GLA 5790.

6. Line 4 - Total Revenues and Financing Sources. Report the total of lines 1 through 3 above. Revenue should equal net sales plus any other reimbursable revenue and financing source.

7. Line 5 - Program or Operating Expenses. This line is a summary of appropriations expensed during the current period. Do not include (1) cost of goods sold [reported on line 6 below], (2) expenditures for assets that were capitalized [those capital assets should be reported on the Statement of Financial Condition] or (3) any expense reported on other lines. Appropriations expensed to be reported are all direct appropriation expenses incurred by Fund activities which received a direct appropriation (for example, war reserve materials and commissaries) and should be equal to the "Appropriated Capital Used" reported on line 1. The total of the amount reported for this line should be equal to the balance in the following account:

5700 Appropriated Capital Used

8. Line 6 - Cost of Goods Sold and Services Provided. Report the total shown on Part III, Cost of Goods Sold and Services Provided. (Form and Content Guidance, published by the Office of Management and Budget, asks that this line be subdivided between (a) costs of goods sold to the public and (b) costs of goods sold to DoD and other Federal entities. That subdivision is not necessary for AR 1307 reporting. For the annual Chief Financial Officer's Act report, the subdivision could be reported in the same proportion as revenue is reported from the public and from DoD and other Federal entities.)

9. Line 7 - Depreciation and Amortization. This line is a summary of depreciation/depletion/amortization expense associated with capital assets used by the Defense Working Capital Fund. Report depreciation expense incurred during the reporting period which was posted to applicable accounts (or sub-accounts) in the 6000 Series (expense) accounts within the DoD Chart of Accounts. The total reported in line H of Part IV will be reflected on this line.

10. Line 8 - Bad Debts and Write-offs. This line is a summary of bad debt and other write-off expense incurred during the reporting period which was posted to applicable accounts (or sub-accounts) in the 6000 Series (expense) accounts within the DoD Chart of Accounts. The total reported in line I of Part IV will be reflected on this line.

* 11. Line 9 - Other Expenses. The total reported in line J of Part IV
* will be reflected on this line.

12. Line 10 - Total Expenses. Sum of lines 5 through 9.

13. Line 11 - Revenue Less Cost Incurred Before Extraordinary Items. Report the net amount of line 4 less line 10.

14. Line 12 - Plus (Minus) Extraordinary Items. Report the net balance in the following account. Extraordinary gains are unusual, unrelated to the activity's ordinary activities, and occur infrequently. Identify, as a footnote, the nature of each extraordinary gain or loss. Report the balance in the following account:

7300 Extraordinary Items

15. Line 13 - Net Operating Results. Line 11 plus (or less) line 12.

16. Line 14 - Plus (Minus) Nonrecoverable Costs. Report the amount shown on line 3 of Part V, Recoverable Operating Results.

17. Line 15 - Recoverable Operating Results. Line 13 plus (or less) line 14.

18. Line 16 - Obligations for Capital Assets. Report the amount of obligations shown on Part VI, Capital Investment Program.

19. Line 17 - Outlays for Capital Assets. Report the amount of outlays shown on Part VI, Capital Investment Program.

20. FOOTNOTE: DWCF business area activities shall record and report financial information on the maintenance of a mobilization capability in accordance with the DoD accounting and reporting requirements specified for the DWCF. The Monthly Report of

Operations (AR 1307) shall be prepared to include a footnote which identifies the amount of the mobilization requirement costs which are funded through direct appropriations or reimbursable orders accepted specifically for mobilization requirements.

PART II - CHANGES IN NET POSITION

A. General. This part, Part II, provides data on the current equity position of the Defense Working Capital Fund.

B. Heading. Complete the heading of the form to show (a) the reporting DoD Component, (b) the reporting business area/activity, (c) the reporting period (month), and (d) the year.

C. Line Item Instructions. Instructions for the content of each line item are as follows:

1. Line 1.A.(1). - Appropriations Available - Beginning of Year. Report the balance of appropriations available at the end of the preceding fiscal year. This amount should be the same as reported on line 1.A.(4) on September 30 of the preceding fiscal year. The amount reported will not change during the fiscal year.

2. Line 1.A.(2) - Plus or Less: Changes in Appropriation Balance. This is equal to the difference between the beginning of the fiscal year balance and the balance as of the end of the reporting period. The amount should be equal to:

a. Increases to GLA 3211.1, "Appropriations Available," occurring as a result of direct appropriations made available by the Congress to the DWCF. For example, direct appropriations received for the acquisition of war reserve materials and direct appropriations made available to the Commissary business area and U.S. Transportation Command.

b. Increases to GLA 3211.1, "Appropriations Available," occurring as a result of nonexpenditure transfers from other current appropriations and funds.

c. Decreases as a result of the use of appropriations. These decreases should be equal to the amount reported on Part I, line 1, "Appropriated Capital Used."

d. Decreases to GLA 3211.1, "Appropriations Available," occurring as a result of nonexpenditure transfers to other appropriations and funds.

3. Line 1.A.(3) - Plus or Less: Cash Transfers. Report cash transfers in from other DWCF activities as a plus and cash transfers out to other DWCF activities as a negative. The amounts to be reported are those solely to Transfer cash balances. A transfer of cash as a result of work performed (Reimbursable sales) shall not be reported on this line. The following equity account shall be used:

3211.4 Net Treasury Balance-DWCF

4. Line 1.A.(4) - Equals: Appropriations Available - End of Period. Report the net total of line 1.A.(1) through line 1.A.(3). The amount reported should agree with the amount reported on line 14.a. of the Statement of Financial Condition.

5. Line 1.B.(1) - Accumulated Operating Results - Beginning of Fiscal Year (Unadjusted). Report the balance of accumulated operating results available at the end of the preceding fiscal year. This amount should be the same as the amount reported on line 1.B.(5) on September 30 of the preceding fiscal year. This amount will not change during the fiscal year.

6. Line 1.B.(2) - Plus or (Minus): Prior Period Adjustments to Accumulated Operating Results. A credit balance is reported as a plus; a debit balance is reported as a negative. Report prior period adjustments recorded in the following account:

7400 Prior Period Adjustments

7. Line 1.B.(3) - Accumulated Operating Results - Beginning of Fiscal Year (Adjusted). Report the net total of line 1.B.(1) plus or minus, as applicable, line 1.B.(2).

8. Line 1.B.(4) - Plus: Net Operating Results - End of Period. Report the amount shown on line 13, Net Operating Results, of Part I, Statement of Operations.

9. Line 1.B.(5) - Equals: Operating Results - End of Period. Report the net total of lines 1.B.(3) and (4). The amount reported should be equal to the amount reported on line 14.c. of the Statement of Financial Condition.

10. Line 1.C. - Net Equity Position - End of Period. Report the net total of line 1.A.(4) and line 1.B.(5).

11. Line 1.D.(1) - Capital Investments - Beginning of Fiscal Year. Report the balance of capital investments available at the end of the preceding fiscal year. The amount reported should be equal to the amount reported on line 14.b. of the Statement of Financial Condition at the end of the preceding fiscal year. This amount will not change during the fiscal year.

12. Line 1.D.(2) - Plus: Transfers-In of Property. Report the value of capital assets received without reimbursement. The amount reported should be equal to the amount reported on line 14.b.(4) of the Statement of Financial Condition. Report the amount in the following account:

3220 Transfers-In from Others Without Reimbursement

NOTE: GLA 3220 is closed to GLA 3211.2, "Assets Capitalized," at fiscal year end.

13. Line 1.D.(3) - Less: Transfers-Out of Property. Report the value of capital assets transferred out without reimbursement. The amount reported should be equal to the amount reported on line 14.b.(5) of the Statement of Financial Condition. Report the amount in the following accounts:

3231 Transfers Out to Government Agencies Without Reimbursement

3232 Transfers Out to All Others Without Reimbursement

NOTE: GLAs 3231 and 3232 are closed to GLA 3211.2, "Assets Capitalized," at fiscal year end.

14. Line 1.D.(4) - Less: Invested Capital Used. Report the amount recorded in the following account:

5790 Invested Capital Used

15. Line 1.D.(5) - Plus (Less): Changes in Liabilities Assumed. Report net changes during the fiscal year to date in the following account:

3211.3 Liabilities Assumed

16. Line 1.D.(6) - Equals: Capital Investments - End of Period. Report the net total of lines 1.D.(1) through (5). The amount reported should be equal to the amount reported on line 14.b. of the Statement of Financial Condition.

17. Line 2 - Total Equity - End of Period. Report the total of the above lines. The amount reported should be equal, prior to year-end closing, to the balance in the following accounts:

- 3211 Capital Investment-DWCF
- 3220 Transfers In from Others Without Reimbursement
- 3230 Transfers Out to Others Without Reimbursement
- 3311.1 Cumulative Results of Operations-DWCF
- 3311.2 Cumulative Results of Operations-DWCF-Deferred
- 3321 Net Results of Operations-DWCF

PART III - COST OF GOODS SOLD AND SERVICES PROVIDED

A. General. All costs, including gains and losses, applicable to the production of goods and services sold to customers during the reporting period must be reflected on this part (Part III) of the report. The total included in line 3 of Part III of the Statement of Operations must agree with the amount shown on line 6, Part I of the Statement of Operations.

B. Heading. Complete the heading of the form to show (a) the reporting DoD Component, (b) the reporting business area and activity (c) the reporting period (month), and (d) the year.

C. Line Item Instructions. Instructions for the content of each line item are as follows.

1. Line 1 - Cost of Goods and Services Sold. This line is to be used by all business areas other than the Supply Management and Commissary Resale business areas -- the Supply Management and Commissary Resale business areas shall use line 2 of this part to compute its cost of goods sold. Fund business areas that do not use a job-order or process cost accounting system may not have data to complete all parts of line 1. In those cases, the expenses incurred, as reported on line 1.b., "Operating Expenses," of this part shall be the cost of goods and services sold for those business areas.

2. Line 1.a. - Beginning Work-in-Process. Enter the total of the balances in the following accounts as of the end of the preceding reporting period:

1581 Work in Process - In House
1582 Work in Process - Contractor
1583 Work in Process - Other Government Activities
1584 Work in Process - Government-Furnished Material

3. Line 1.b. - Operating Expenses. Enter the total of the amounts reported on Part IV, "Expenses" on lines A through G.

4. Line 1.c. - Minus: Ending Work-in-Process. Enter the total of the balances in the following accounts as of the end of the current reporting period.

The amount reported should agree with the amount reported on line 6 of the statement of Financial Condition.

1581 Work in Process - In House
1582 Work in Process - Contractor
1583 Work in Process - Other Government Activities
1584 Work in Process - Government-Furnished Material

5. Line 1.d. - Minus: Work for Activity Retention. Report the value of assets developed or manufactured for use and retention by the performing business area activity. Enter the balance in the following accounts:

1720 Construction in Progress
1725 Assets Under Development - DWCF

6. Line 1.e. - Equals: Costs of Goods and Services Sold. Report the net total of lines 1.a. through line 1.d.

7. Line 2 - Cost of Goods Sold from Inventory. This category of costs is reported only by the Supply Management and Commissary Resale Business Areas.

NOTE: The Statement of Federal Financial Accounting Standard Number 3, "Accounting for Inventory and Related Property," sets forth the accounting principles that shall be followed by federal government entities when accounting for and reporting inventory and related property. An illustration of the DoD implementation of those principles is contained in Addendum 2 to Chapter 55, "Supply Management Operations," (for DoD Components recording inventory at its standard [selling] price) and Addendum 3 to Chapter 55 (for DoD Components recording inventory at its latest invoice price). The referenced illustrations demonstrate the application of the accounts indicated below and must be read for a fuller understanding of the reporting requirements contained in section 2 of this Part III.

8. Line 2.a. - Operating Expenses. Enter the total of the amounts reported on Part IV, "Expenses," on lines A through G.

9. Line 2.b. - Beginning Inventory - L.A.C.. Report the balance as shown on line 2.h. "Ending Inventory" as of the close of the prior reporting period. (L.A.C. is "Latest Acquisition Cost.")

10. Line 2.c. - Less: Beginning Allowance for Unrealized Holding Gains/Losses. Report the balance as shown on line 2.i. "Ending Allowance for Unrealized Holding Gains/Losses," as of the close of the prior reporting period. Holding gains (or losses) are recognized in the valuation of inventory. Holding gains or losses may be unrealized or realized. "Unrealized" refers to any gain or loss associated with inventory still held by the entity. "Realization" of the holding gain or loss occurs only when an item of inventory is sold or otherwise leaves the supply management stocking point.

11. Line 2.d. - Plus: Purchases At Cost. Report amounts paid or payable for all inventory purchases during the reporting period. Increases during the month in the following account shall be reported:

1529.1C Purchases at Cost

12. Line 2.e. - Plus: Customer Returns - Credit Given. Report amounts of credit given during the month on materiel returns. Increases during the month in the following account shall be reported:

1529.1E Materiel Returns - Credit Given

13. Line 2.f. - Plus: DLR Exchange Credits. Report amounts of credit given during the month on Depot Level Repairable (DLR) exchanges. Increases during the month in the following account shall be reported:

1529.3 Allowance for Repairs

14. Line 2.g. - Inventory Losses Realized. The realization of most inventory gains (and losses) are recognized through reduction of the unrealized holding gains/losses accounts as a result of sales; that is, those gains and losses are realized when inventory items are sold and are recognized in the cost of goods sold. However, decreases in inventory occurring as a result of disposal and other events other than sale also result in a reduction of the unrealized holding gains/losses accounts. As those inventory decreases are not the result of sales, they should not affect the cost of goods sold. Therefore, the value of those losses shall be removed from the cost

of goods sold and re-reported on line J of Part IV, “Expenses,” Statement of Operations. The following accounts are reported on this line:

- 7291.1 Excess/Obsolescence/Spoilage Loss
- 7291.2 Shrinkage/Deterioration Losses
- 7291.3 Other Inventory Losses

15. Line 2.h. - Ending Inventory - LAC. Report the end of the period inventory value of the following accounts. Ensure that amounts reported have been adjusted to Latest Acquisition Cost (LAC) in accordance with DoD directions (see Addendum 2 to Chapter 55, “Supply Management Operations.”). The amount reported should be the same amount that is reported on line 5.a., “Inventory Items,” on the Statement of Financial Condition.

- 1521 Inventory Held for Sale
- 1521.1 Inventory in Transit from Procurement
- 1521.2 Inventory in Transit from DoD Entities
- 1522 Inventory Held in Reserve for Future Sale
- 1523 Inventory Held for Repair
- 1523.1 Exchange (DLR) Inventory in Transit
- 1524 Inventory - Excess, Obsolete and Unserviceable

16. Line 2.i. - Plus: Ending Allowance for Holding Gains/Losses. Report the total of the balances in the following accounts. The amount reported should be the same amount that is reported on line 5.b., “Allowance for Unrealized Gain/Loss on Inventories,” on the Statement of Financial Condition.

- 1529.1 Allowance for Holding Gain/Loss - Inventory Held for Sale
- 1529.2 Allowance for Holding Gain/Loss - Inventory Held in Reserve
for Future Sale
- 1529.3 Allowance for Repairs

17. Line 2.j. - Equals: Cost of Goods Sold from Inventory. Report the net total of lines 2.b. through line 2.i.

PART IV - EXPENSES

A. General. All expenses incurred during the reporting period must be reflected on this part of the report. The total of lines A - I, Part IV must agree with the amount shown on line 6, Part I.

B. Heading. Complete the heading of the form to show (a) the reporting DoD Component, (b) the reporting business area/activity (c) the reporting period (month), and (d) the year.

C. Line Item Instructions. Instructions for the content of each line item are as follows.

1. Line A - Personal Services and Benefits. Report the balance in following accounts.

- 6111 Personnel Compensation - Civilian
- 6130 Annual Leave
- 6113 Personnel Benefits - Civilian
- 6115 Benefits for Former Personnel

2. Line B - Travel and Transportation. Report the balance in the following accounts.

- 6116 Travel and Transportation of Persons
- 6117 Transportation of Things

3. Line C - Rents, Communications & Utilities. Report the balance in the following accounts.

- 6118 Rent, Communication and Utilities
- 6119 Printing and Reproduction

4. Line D - Contractual Services and Supplies. Report the balance in the following accounts.

- 6120.1 Military Personnel Services (Except for Air Mobility Command)
- 6120.2 Purchased Services-Other

5. Line E - Supplies, Materials and Other Non-Capitalized Assets. Report the balance in the following accounts.

- 6121 Supplies and Materials
- 6122 Equipment (Not Capitalized)

6. Line F - Grants and Fixed Charges. This line should not apply to activities of the Defense Working Capital Fund. The following accounts are applicable.

- 6123 Grants, Subsidies and Contributions
- 6124 Insurance Claims and Indemnifications
- 6310 Interest Expenses on Borrowing From Treasury
- 6320 Interest Expenses on Securities
- 6330 Other Interest Expenses

7. Line G - Other Expenses. Report amounts which do not coincide to the description of the other elements of expense and identify the type of expense reported in this line. Report the balance in the following account:

6900 Other Expenses

8. Line H - Depreciation - Total. Report the balance in the following accounts.

6125 Depreciation of Equipment

6126 Depreciation of Real Property

6127 Depletion of Natural Resources

6128 Amortization of Leasehold Improvements and Other Intangible Assets

9. Line I - Bad Debts and Other Write-offs. Report the balance in the following account.

6129 Bad Debts

10. Line J - Other Losses. Report the balances in the following accounts.

7210 Losses on Disposition of Assets

7291.1 Shrinkage/Deterioration Losses

7291.2 Excess/Obsolescence/Spoilage Loss

7291.3 Other Inventory Losses

7293 Other Miscellaneous Losses

11. Line K - Non-DWCF Financed Expenses. Report unfunded costs financed by other appropriations and funds. Further information on the purpose and use of general ledger account 5700 is at the Addendum to Chapter 52, "Budgetary Resources." Further information on the purpose and use of general ledger account 5790 is at Addendum 1 to Chapter 58, "Capital Assets." Record the balances in the following accounts:

5700 Appropriated Capital Used

5790 Invested Capital Used

6120.1 Military Personnel Services (Air Mobility Command ONLY)

PART V - RECOVERABLE OPERATING RESULTS

A. General. This part is intended to disclose differences, if any, between net operating results reported on Part I, "Statement of Operations," and the operating results used in the budget formulation of stabilized billing rates. As a matter of policy, any amounts that a DoD Component requests be excluded from its DWCF rates--whether identified in Under Secretary of Defense (Comptroller) guidance as permissible or requested by the DoD Component--must be adequately documented and quantified. Further, all such amounts must be approved by the Office of the Under Secretary of Defense (Comptroller). Amounts not explicitly approved by the Office of the Under Secretary of Defense (Comptroller) for exclusion from customer rates shall be excluded from this report.

B. Heading. Complete the heading of the form to show (a) the reporting DoD Component, (b) the reporting business area (c) the reporting period (month), and (d) the year.

C. Line Item Instructions. Instructions for the content of each line item are as follows.

1. Line 1 - Net Operating Results. Enter the amount reported on Part I of the Statement of Operations, line 13, "Net Operating Results."

2. Line 2 - Nonrecoverable/Deferred Amounts. Data reported on this line and its sublines, unless otherwise specified below, are restricted to specific exclusions approved by the Office of the Deputy Comptroller (Program/Budget). Amounts to be reported on monthly activity reports should be obtained from, or approved by, the activity, management command of the reporting business area or the DoD Component departmental level. This section is composed of the following lines.

3. Line 2.a. - Losses on Disposal of Excess Inventory. This line applies to the supply management business area only. Report those losses on potential excess/actual excess inventory for which an exclusion has been approved by the Office of the DoD Comptroller (Program/Budget).

4. Line 2.b. - Disposal of Equipment/Capital Assets. Report losses (or gains, if applicable) realized upon the disposal of excess equipment and other capital assets when the Office of the Deputy Comptroller (Program/Budget) has approved the exclusion. [Note: Losses on excess equipment and other capital assets disposed of as a result of base closure shall not be reported on this line but shall, instead, be reported on line 2.c.]

5. Line 2.c. - Non-Reimbursable Base Closure (BRAC) Costs. Report losses (or gains, if applicable) in excess of reimbursement directly resulting from a base closure when the Office of the Deputy Comptroller (Program/Budget) has approved the exclusion.

6. Line 2.d. - Military Personnel Cost Variance. The purpose of this line is to eliminate any variance between the cost of applied military labor and the amount paid to a military personnel appropriation for that labor. The cost of military labor applied to work performed at a DWCF activity and the amount paid by the DWCF to the military personnel appropriations are generally not equal. The reason they are not equal is that the amount paid to the military personnel appropriations is the amount estimated in the budget; however, the cost of military labor applied to work performed is a function of the actual number and grade of military personnel at an activity. The difference, gain or loss, between the amount paid and the cost applied to work is not recoverable in stabilized billing rates. Therefore, this line shall show an adjustment of Net Operating Results to arrive at the amount that is to be used for stabilized rate development. The

adjustment shall be equal to the amount to the account 1451.1, "Prepaid Expenses - Military Personnel - DWCF," adjustment amount recorded to Account 3311.1, "Cumulative Results of Operations-DWCF." When the military personnel expense is more than the amount paid to military personnel appropriations, the adjustment shall be shown as a positive amount. When the military personnel expense is less than the amount paid to military personnel appropriations, the adjustment shall be shown as a negative amount.

7. Line 2.e. - Capital Asset Surcharge. Capital surcharge amounts included in revenue should be deducted to avoid the return of an apparent gain in the development of the subsequent year rate structure. This line is left blank when there is no capital surcharge revenue. A capital surcharge shall be included in customer rates only if approved by the Office of the Deputy Comptroller (Program/Budget). A capital surcharge might be approved when the amount of depreciation expense of existing capital assets included in stabilized rates is less than the budgeted Capital Investment Program. As the capital surcharge does not have an offsetting expense, in isolation from other transactions, it would be anticipated to result in a gain to net operating results. That gain must be deducted from Net Operating Results to prevent its return to customers in subsequent years through stabilized rates that are lower than they would be otherwise.) Capital surcharge amounts may be reported without the prior approval of the Office of the Deputy Comptroller (Program/Budget).

8. Line 2.f. - Other Applicable Gains and Losses. Report any other nonrecoverable or deferred gains or losses not reportable on lines 2.a. through 2.e. above when approved by the Office of the Deputy Comptroller (Program/Budget).

9. Line 2.g. - Total - Nonrecoverable/Deferred Amounts. Report the total of lines 2.a. through 2.f.

10. Line 3. Net Operating Results that are Comparable to Budgeted Amounts. Report the net difference between line 1 less line 2.g. This amount should be comparable to the amount of Net Operating Results provided or otherwise approved by the Office of the Deputy Comptroller (Program/Budget) in the applicable DoD Component's current budget.

11. Line 4. Amount Budgeted for the Return/Recovery of Prior Year(s) Gain/Loss. This includes the gain or loss occurring in the reporting period that were deliberately included in stabilized rates for the current year to correct (offset) over- or underpricing in a prior fiscal year(s). (For example, if accumulated operating results were a loss for the prior fiscal year(s), the stabilized rate for the current year normally would recover, in addition to current year operating costs, those losses realized in the prior fiscal year(s). The recovery of the prior year(s) loss does not have a current year expense to offset it; therefore, financial reports will indicate a gain. As this gain was planned to offset the prior loss(es), that gain should not be returned in subsequent year rates. To be reported, the applicable gain or loss must be approved by the Office of the Deputy Comptroller (Program/Budget) and should have been reflected in the applicable DoD Component's approved budget.

12. Line 50. Net Recoverable Operating Results From Current Year Operations. Report the net total between line 3 and line 4.

NOTE: At fiscal year end, the Net Operating Results is closed to Accumulated Operating Results. Since part of that amount is a nonrecoverable/deferred amount, that part should be separately identified in financial records. To provide a means to accomplish that objective, the account for Accumulated Operating Results has been subdivided into two subaccounts. They are:

3311.1 Cumulative Results of Operations-DWCF

3311.2 Cumulative Results of Operations-DWCF-Deferred

Therefore, annually, as part of the fiscal year closing process, the amount reported on line 2.g., "Total - Nonrecoverable/ Deferred Amounts," shall be recorded to GLA 3311.2; the amount reported on line 5, "Net Recoverable Operating Results From Current Year Operations," shall be recorded to GLA 3311.1. The total of the amounts recorded to those two accounts for a fiscal year shall equal the net operating results of that fiscal year.

PART VI - CAPITAL INVESTMENT PROGRAM

A. General

1. Both obligations and outlays for capital assets costing \$25,000 (\$15,000 in FY 1993) or more and have a useful life of 2 years or greater, must be accounted for, and reported according to the initial program year of authorization.

2. For reporting these amounts, the reporting period is defined as the year to date amounts, i.e., amounts reported since the end of the prior fiscal year to the end of the reporting month shown in the heading of Part V.

B. Heading. Complete the heading of the form to show (a) the reporting DoD Component, (b) the reporting business area/activity (c) the reporting period (month), and (d) the year.

C. Columnar Instructions. The contents of the columns should be as follows:

1. Program Year (Column 1). Separate fiscal year program identification is required. All prior fiscal years must be separately identified until all obligations and outlays for the approved program have been fully concluded. The fiscal year programs will be arranged in consecutive order, starting with the least current fiscal year program.

2. Original Program (Column 2). Amounts included in this column shall be the approved program amounts provided in the annual operating budgets of the initial program year. The amount reported should not change in subsequent years. Changes in the Capital Investment Program amounts are shown in column 3.

3. Program Adjustments (Column 3). Amounts included in this column shall be adjustments (generally, deductions) to the initial approved Capital Investment Program amounts. Adjustments to the initial approved program amounts are disclosed in the annual operating budgets for a subsequent program year. The amount reported in this column may change annually as of the beginning of a fiscal year but should not change during a fiscal year.

4. Current Program (Column 4). This is the sum of the original program (column 2) and program adjustments (column 3). These amounts will be subject to the provisions of 31 U.S.C., Section 1517(a).

5. Obligations - This Fiscal Year (Column 5). Amounts included in this column shall be the total amount of obligations incurred in the current fiscal year.

6. Obligations - Prior Fiscal Year(s) (Column 6). Amounts included in this column shall be the cumulative amount of obligations incurred in fiscal years prior to the current fiscal year. The amount reported should not change during the reporting fiscal year.

7. Obligations - Total (Column 7). This is the sum of current fiscal year obligations (column 5) and cumulative prior year obligations (column 6).

8. Outlays - This Fiscal Year (Column 8). Amounts included in this column shall be the total amount of outlays incurred in the current fiscal year.

9. Outlays - Prior Fiscal Years (Column 9). Amounts included in this column shall be the cumulative amount of outlays in fiscal years prior to the current fiscal year. The amount reported should not change during the reporting fiscal year.

10. Outlays - Total (Column 10). This is the sum of current fiscal year outlays (column 8) and cumulative prior year outlays (column 9).

PART VII - INVENTORY MANAGEMENT REPORT SUPPLY MANAGEMENT BUSINESS AREA

NOTE: The following entry descriptions are intended to be consistent those previously described in DoD 7420.13-R, "Stock Fund Operations," for the Accounting Report (AR) 1302.

A. Purpose. The Inventory Management Report is prescribed to compare fiscal data from the supply management business area general ledger with the approved operating program for the purpose of monitoring the execution of the current year budget.

B. General Reporting Requirements

1. Frequency. The Inventory Management Report shall be prepared at the end of each month and submitted in triplicate to the Deputy Comptroller (Program/Budget), Office of the Under Secretary of Defense (Comptroller) by the end of the month after the report period.

2. Rounding. Amounts reported shall be rounded to the nearest thousand dollars.

3. Form. Each DoD Component shall submit a Inventory Management Report for each supply management business area division on forms consistent with the example provided. Division reports shall show entries only for column one.

C. Specific Reporting Requirements

1. Description of Line Entries. Specific descriptions of entries for each line on the Inventory Management Report are provided in paragraph E. below.

2. Planned to Date. Column 2, "Planned To Date," shall reflect the cumulative programmed amount, at the total DoD Component level, for the month being reported.

3. Variance. On only the total DoD Component supply management business area summarized report Column 3, "Variance," shall reflect the difference between column 1 and column 2 in terms of both the dollar amount and the percentage.

D. Relationship to Report on Budget Execution. The cumulative fiscal year to date amount in accounts 4252, "Reimbursements Earned-Uncollected-Specific Apportionment," and 4254, "Reimbursements Earned-Collected-Specific Apportionment" shall be reported on the DD Form 1176, "Report on Budget Execution," RCS DD-COMP(M)1125, line 3A, as "Earned" (reimbursements and other income). The cumulative fiscal year to date net change in account 4232, "Unfilled Customer Orders-Specific Apportionment," shall be reported on the DD Form 1176, line 3B, as "Change in Unfilled Customer Orders." The cumulative fiscal year to date amount in account 4131, "Contract Authority-Without Liquidating Appropriation," shall be reported on line 1B of the DD form 1176 as "Other New Authority Realized," except that a negative amount shall not be reported. At the end of the fiscal year the cumulative from inception amount of account 4131 shall be adjusted and reported as required by paragraph Q.2.d.(2) of chapter 55, "Inventory and Supply Management Requirements," of this Regulation. That adjustment process is:

1. Add the year-end balances in accounts 4800, "Undelivered Orders," 4910, "Accrued Expenditures - Unpaid - Direct Program," and 4920, "Accrued Expenditures - Unpaid - Reimbursable Program."

2. From this sum subtract the sum of the year-end balances in accounts 4230, “Unfilled Customer Orders,” 4251, “Reimbursements Earned-Uncollected-Automatic Apportionment,” 4252, “Reimbursements Earned - Uncollected - Specific Apportionment,” and 1010, “Fund Balance With Treasury.”

3. The cumulative from inception balance in account 4131, “Contract Authority - Without Liquidating Appropriation,” should equal the results of this computation. If not equal, the 4131 account shall be adjusted to equal the result.

The amount in account 4211, “Anticipated Reimbursements-Specific Apportionment,” after adjustment by the net change in operating obligations incurred during the month as recorded in account 4820, “Undelivered Orders - Reimbursable Program,” account 4920, “Accrued Expenditures - Unpaid - Reimbursable Program,” and account 4940, “Accrued Expenditures - Paid - Reimbursable Program,” as indicated in paragraph Q.2.d.(2) of chapter 55, “Inventory and Supply Management Requirements,” of this Regulation less the amounts reported on lines 3A and 3B of the DD Form 1176, shall be reported on line 3C as anticipated reimbursements.

E. Description of Entries

1. Line A - Customer Orders Accepted - Cumulative. Enter the total amount of customer orders received for the Fiscal Year to date. Report the balance of the following general ledger account:

4220 Reimbursable Orders Accepted

2. Line B - Gross Reimbursable Sales of Property - Cumulative. Enter the total sales for this Fiscal Year to date. The amount reported shall equal the amount reported on line 2.a. of Part I of the Statement of Operations. Report the balance of the following general ledger account:

5100 Revenue From Goods Sold

3. Line C - Unfilled Customer Orders. Enter the amount of requisitions or orders outstanding from customers. Report the balance of the following general ledger account:

4230 Unfilled Customer Orders - Unobligated

4. Line D - Customer Returns - Credits Granted - Cumulative. Enter the amount of credit granted to customers for material returns for the Fiscal Year to date. The amount reported shall equal the amount reported on line 2.b. of Part I of the Statement of Operations. Report the total amount of credit granted to customers for material returns from the following general ledger account:

1529.1E Customer Returns - Credit Given

5. Line E - Net Reimbursable Sales of Property - Cumulative. Enter net sales for this Fiscal Year to date. The amount reported shall equal the amount reported on line 2. of Part I of the Statement of Operations. Report the result of line B. less line B. above.

6. Line F - Purchases at Cost - Cumulative. Enter the amount of purchases at cost for this Fiscal Year to date. The amount reported shall equal the amount reported on line 2.d. of Part III, “Cost of Goods Sold and Services Provided,” of the Statement of Operations. Report the balance of the following general ledger account:

1529.1C Purchases at Cost

7. Line G - Obligations - Cumulative. Enter the total obligations incurred this Fiscal Year to date. (The sum of report lines H., I., and J., below.)

8. Line H - Obligations Operating - Cumulative. Enter the amount of operating obligations incurred this Fiscal Year to date. The amount reported should not include obligations reported on lines I. and J. Report balances from subsidiary accounts to the following general ledger accounts:

4800 Undelivered Orders 4900 Expended Appropriations

9. Line I - Obligations Augmentation - Cumulative. Enter the amount of obligations incurred this Fiscal Year to date for inventory augmentation, initial issue, etc. (Inventory augmentation purposes are defined in Volume 2, Chapter 9, of this Financial Management Regulation.) The amount reported should not include obligations reported on lines H. and J. Report balances of subsidiary accounts to the following general ledger accounts:

4800 Undelivered Orders 4900 Expended Appropriations

10. Line J - Obligations Mobilization - Cumulative. Enter the total amount of obligations for war reserve purposes. (War reserve purposes are defined in Volume 2, Chapter 9, of this Financial Management Regulation.) The amount reported should not include obligations reported on lines H. and I. Report balances of subsidiary accounts to the following general ledger accounts:

4800 Undelivered Orders 4900 Expended Appropriations

11. Line K - Outstanding Commitments. Enter the amount of commitments outstanding that has not resulted in obligations. Report the balance of the following general ledger account:

4700 Commitments Available for Obligation

12. Line L - Inventories - Stock On Hand. Enter the total amount of inventory on hand at the end of the report period after adjustment to latest acquisition cost. The amount reported shall equal the amount reported on line 4. of the Statement of Financial Position less the amount reported on line N of this Inventory Management Report. Report the net total balance of the following general ledger accounts after adjustment to estimated cost:

1521 Inventory Held for Sale
1522 Inventory Held in Reserve for Future Sale
1523 Inventory Held for Repair
1524 Inventory - Excess, Obsolete, and Unserviceable
1529 Inventory - Allowance
1573 War Reserve/Mobilization Stock
1579.2 Allowance for Holding Gain/Loss - War Reserve/Mobilization

13. Line M - Other Inventories. Enter the total amount of other inventories (except inventories in transit reported on line N) consisting of Work in Progress, On Loan to Others for Use, and With Agents. Report the net total balance of the following general ledger accounts:

1581 Work in Process - In House
1582 Work in Process - Contractor
1583 Work in Process - Other Government Activities
1584 Work in Process - Government Furnished Material
1590 Other Related Property

14. Line N - Inventories in Transit. Enter the amount of material in transit. Report the balance of the following general ledger accounts:

1521.1 Inventory in Transit from Procurement
1521.2 Inventory in Transit from DoD Entities
1523.1 Exchange (DLR) Inventory in Transit

15. Line P - Total Inventories. Enter the sum of the amounts reported on lines L., M., and N., above.

16. Line Q - Customer Returns Without Credit - Cumulative. Enter the amount of returns from customers without credit. The amount reported should equal the net of the total amount of returns from customers less the amount reported on line D., above. Report the balance of the following general ledger account:

1529.1F Customer Returns Without Credit Given

17. Line R - Transfers to Reutilization and Marketing Offices - Cumulative. Enter the net amount transferred to DMROs for the Fiscal Year to date. Report the amount from the following general ledger account that applies to transfers to reutilization and marketing offices:

3231 Transfers Out to Government Agencies - Without Reimbursement

18. Line S - Material Returns to Suppliers - Cumulative. Enter the total amount of returns to public suppliers and contractors from a subsidiary account to the following general ledger account:

1316 Refunds Receivable - Public

and the total amount of returns to federal government suppliers from a subsidiary account to the following general ledger account:

7291 Inventory Losses or Adjustments

19. Line T - Undelivered Orders. Enter the total amount of undelivered orders outstanding. Report the balance of the following general ledger account:

4800 Undelivered Orders

20. Line U - Fund Balance With Treasury. Enter the total amount of funds with Treasury balance. The amount reported shall equal the amount reported on line 1.e. and 1.f. of the Statement of Financial Position. Report the balance of the following general ledger account:

1010 Fund Balance with Treasury

21. Line V - Funds Collected - Cumulative. Enter the amount of collections for the Fiscal Year to date. The amount reported shall equal the amount reported on line 1.a. and 1.b. of the Statement of Financial Position. Report the balance of the following general ledger account:

1011 Funds Collected

22. Line W - Funds Disbursed - Cumulative. Enter the amount of disbursements for the Fiscal Year to date. The amount reported shall equal the amount reported on line 1.c. and 1.d. of the Statement of Financial Position. Report the balance of the following general ledger account:

1012 Funds Disbursed

23. Line X - Receivables - Government. Enter the amount of receivables outstanding that are due from other federal government entities. Report the balance of the following general ledger accounts:

1311 Accounts Receivable - Government - Current

1312 Accounts Receivable - Government - Noncurrent

1315 Refunds Receivable - Government

24. Line Y - Receivables - Public. Enter the net amount of receivables outstanding that are due from non-federal government entities. Report the net balance of the following general ledger accounts:

1313 Accounts Receivable - Public - Current

1314 Accounts Receivable - Public - Noncurrent

1316 Refunds Receivable - Public

1319 Allowance for Loss on Accounts Receivable

1320 Claims Receivable - Public

25. Line Z - Payables. Enter the total amount of payables outstanding. Report the net total balance of the following Appendix B general ledger account:

2100 Accrued Liabilities - Other

26. Footnotes. Include in a footnote, the estimated balance of line U, above, that is the result of appropriations by type of appropriation, i.e., inventory augmentation or War Reserves and the estimated amount from operations. Include in a footnote, the amount of line L, above, at standard price.